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Forward Pharma A/S

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

o **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g)OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2016

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

o **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report.....

Commission file number 001-36686

Forward Pharma A/S

(Exact name of Registrant as specified in its charter)

Forward Pharma A/S

(Translation of Registrant's name into English)

Denmark

(Jurisdiction of incorporation or organization)

Østergade 24A, 1st Floor
1100 Copenhagen K
Denmark

(Address of principal executive offices)

Joel Sendek
Chief Financial Officer
Forward Pharma USA, LLC
914-752-3542
7 Skyline Drive, Suite 350
Hawthorne, NY 10532

(Name, Telephone, E-mail and/or Facsimile Number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
Ordinary share, nominal value 0.10 DKK	Nasdaq Global Select Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

Not Applicable

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

Not Applicable

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Ordinary shares: 47,143,889

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

o Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

o Yes ☒ No

Note—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes o No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

o Yes o No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o | Accelerated filer ☒ | Non-accelerated filer o

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP o | International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ | Other o

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

o Item 17 o Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

o Yes ☒ No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

o Yes o No

Forward Pharma A/S

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Unless otherwise indicated or the context otherwise requires, all references in this Annual Report on Form 20-F (the "Annual Report") to "Forward Pharma A/S" or the "Parent" refer to Forward Pharma A/S and all references in this report to the "Group" refer to Forward Pharma A/S, together with its wholly owned subsidiaries. All references in this report to "Forward Pharma," the "Company," "we," "our," "ours," "us" or similar terms refer to Forward Pharma A/S or Forward Pharma A/S together with its wholly owned subsidiaries, as required by the context.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains statements that constitute forward-looking statements. Many of the forward-looking statements contained in this Annual Report can be identified by the use of forward-looking words such as "anticipate," "believe," "could," "expect," "may," "should," "plan," "intend," "estimate," "will," "would," and "potential," among others.

Forward-looking statements appear in a number of places in this Annual Report and include, but are not limited to, statements regarding our intent, belief or current expectations. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors. These risks and uncertainties include, but are not limited to, factors relating to:

- whether and when we will receive any additional payments under our Settlement and License Agreement with two subsidiaries of Biogen, Inc.;
- the timing, outcome and impact of administrative, court and other proceedings related to our patents and intellectual property, including our interference proceeding with Biogen, Inc. and the European Patent Office opposition proceeding with Biogen, Inc. relating to EP2801355;
- the timing and amount of any dividends, distributions, share repurchases or other return of capital to our shareholders;
- our ability to successfully protect, defend and enforce our intellectual property;
- our ability, in the event that the Settlement and License Agreement in the U.S. remains co-exclusive, to successfully assign our U.S. co-exclusive license rights to a third party and receive future payments;
- the strength of the future market opportunity for products containing dimethyl fumarate for the treatment of multiple sclerosis;
- our estimates regarding expenses, future revenues, capital requirements and the need for additional financing;
- our ability to hire and retain qualified personnel;
- our ability to continue as a going concern; and
- other risk factors identified under "Risk Factors."

Forward-looking statements speak only as of the date they are made, and except as required by law, we do not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Selected Financial Information

The selected financial information set forth below for the years ended December 31, 2016, 2015 and 2014, and as of December 31, 2016 and 2015, is derived from our audited consolidated financial statements included elsewhere in this Annual Report. The selected financial information set forth below for the years ended December 31, 2013 and 2012, and as of December 31, 2014, 2013 and 2012, is derived from our audited consolidated financial statements not included in this Annual Report. We prepare our audited consolidated financial statements in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB. This financial information should be read in conjunction with our "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements, including the notes thereto, included in this Annual Report.

Consolidated Statement of Profit or Loss Data

	Year ended December 31,				
(USD in thousands, except per share data)	2016	2015	2014	2013	2012
Research and development costs	(41,052)	(33,727)	(10,547)	(8,018)	(4,445)
General and administrative costs	(14,382)	(15,852)	(9,154)	(1,014)	(928)
Operating loss	(55,434)	(49,579)	(19,701)	(9,032)	(5,373)
Fair value adjustment to net settlement obligations to shareholder warrants	—	—	(968)	(6,676)	(17,071)
Fair value adjustment to convertible loans	—	—	(3,823)	—	—
Exchange rate gain (loss), net	598	11,933	5,589	(7)	(3)
Interest income	389	438	63	—	—
Interest expense	—	—	(416)	(75)	(32)
Other finance costs	(92)	(132)	(10)	(2)	—
Net loss before tax	(54,539)	(37,340)	(19,266)	(15,792)	(22,479)
Income tax benefit	21,203	336	250	96	—
Net loss for the year	(33,336)	(37,004)	(19,016)	(15,696)	(22,479)
Net loss per share(1)					
Basic and diluted(2)	(0.71)	(0.79)	(1.79)	(0.54)	(0.80)
Weighted-average shares outstanding used to calculate net loss per share					
Basic and diluted	47,013	46,749	34,490	29,004	28,124

(1) As discussed in more detail in the Company's audited consolidated financial statements, just prior to the Company's initial public offering in October 2014, there were a number of corporate actions taken whereby all of the Company's outstanding shares were converted into ordinary shares on a 1 for 1 basis, or Share Conversion, additional ordinary shares, or Proportional Shares, were issued to

all shareholders in proportion to their respective ownership interest and there was a share split of 10 for 1, or Share Split. Since the Share Conversion, issuance of Proportional Shares and Share Split (collectively referred to as the "Recapitalization") resulted in no additional consideration received by the Company nor did it change the individual ownership percentages of individual shareholders of the Company, for purposes of computing the loss per share for each of the years ended December 31, 2014, 2013 and 2012 included herein, the Recapitalization was deemed to have occurred as of the beginning of the earliest period presented. The Recapitalization was fully effected at the beginning of 2015 and therefore retrospective adjustment was not necessary in computing per share information for the years ended December 31, 2016 and 2015.

(2) During 2014, the Company's Class B shareholders received a preferential distribution in the form of Class A shares with a fair value of $42.7 million in consideration for amendments to certain contractual rights held by the Company's Class B shareholders. For purposes of computing the loss per share for 2014, the preferential distribution increased the net loss used to compute the per share amount by $42.7 million. The preferential distribution had no effect on cash or cash flows of the Company. See Note 2.6 of the audited consolidated financial statements of the Company for additional information.

Consolidated Statement of Financial Position Data

	As of December 31,				
(USD in thousands)	**2016**	**2015**	**2014**	**2013**	**2012**
Cash, cash equivalents and available-for-sale financial assets	138,723	176,652	223,484	2,955	828
Adjusted working capital(3)	132,465	93,590	90,480	2,317	213
Total assets	163,143	182,904	225,309	3,599	970
Long-term debt, including current portion	—	—	—	2,613	2,100
Accumulated deficit	(147,400)	(131,175)	(107,712)	(51,913)	(36,796)
Total shareholders' equity (deficit)	155,802	176,693	222,394	(26,415)	(20,250)

(3) We define adjusted working capital as current assets minus trade and other payables. We use adjusted working capital to, among other things, evaluate our short-term liquidity requirements. We find adjusted working capital a useful metric in evaluating our short-term liquidity requirements because it eliminates the impact of certain related party transactions, including shareholder loans and liability classified shareholder warrants. Adjusted working capital is not an IFRS measure, and our definition may vary from that used by others in our industry. Accordingly, our use of adjusted working capital has limitations as an analytical tool and you should not consider it in isolation or as a substitute for analysis of our financial position as reported under IFRS.

Exchange Rate Information

Our business is primarily conducted in Denmark and Germany. The functional currency of Forward Pharma A/S is the Danish Kroner, the functional currency of Forward Pharma FA ApS is the Danish Kroner, the functional currency of Forward Pharma GmbH is the Euro and the functional currency of Forward Pharma USA, LLC is the United States, or U.S., Dollar. Forward Pharma A/S reports its consolidated financial statements in U.S. Dollars.

The following table presents information on the exchange rates between the Danish Kroner and the U.S. Dollar for the periods indicated, as published by the Danish Central Bank.

	Period-end	Average for Period	Low	High
	(DKK per USD)			
Year Ended December 31:				
2012	5.659	5.794	5.523	6.156
2013	5.414	5.618	5.400	5.833
2014	6.121	5.619	5.349	6.121
2015	6.830	6.727	6.181	7.081
2016	7.053	6.733	6.433	7.173
Month Ended:				
October 2016	6.796	6.749	6.627	6.842
November 2016	6.996	6.892	6.705	7.051
December 2016	7.053	7.054	6.912	7.173
January 2017	6.915	7.006	6.915	7.159
February 2017	7.014	6.986	6.882	7.071
March 2017	6.928	6.960	6.833	7.070

The following table presents information on the exchange rates between the Euro and the U.S. Dollar for the periods indicated, as published by the European Central Bank.

	Period-end	Average for Period	Low	High
	(EUR per USD)			
Year Ended December 31:				
2012	0.758	0.779	0.743	0.827
2013	0.725	0.753	0.724	0.783
2014	0.824	0.754	0.717	0.824
2015	0.919	0.902	0.830	0.948
2016	0.949	0.904	0.864	0.965
Month Ended:				
October 2016	0.914	0.907	0.890	0.920
November 2016	0.940	0.926	0.901	0.948
December 2016	0.949	0.949	0.929	0.965
January 2017	0.930	0.942	0.930	0.963
February 2017	0.944	0.940	0.925	0.951
March 2017	0.931	0.936	0.918	0.951

B. Capitalization

Not applicable

C. Reason for the Offering

Not applicable

D. Risk Factors

Our business faces significant risks and uncertainties. You should carefully consider all of the information set forth in this Annual Report on Form 20-F and other documents we file with or furnish to the SEC, including the following risk factors, before deciding to invest or making any decision with respect to your investment in any of our securities. Our business, financial condition or results of operations could

be materially and adversely affected if any of these risks occurs. This Annual Report also contains forward-looking statements that involve risks and uncertainties. See "Cautionary Note Regarding Forward-Looking Statements." Our actual results could differ materially and adversely from those anticipated in these forward-looking statements as a result of certain factors.

Risks Related to Our Business and Industry

There can be no assurance that the interference proceeding between our U.S. Patent Application No. 11/576,871 and Biogen's U.S. Patent No. 8,399,514 will ultimately result in judgment against Biogen and the cancellation of its patent claims. In addition, there can be no assurance that any claims of our U.S. Patent Application No. 11/576,871 will ever issue in a patent or be royalty bearing under the Settlement and License Agreement with Biogen.

On April 13, 2015, an administrative patent judge at the U.S. Patent Trial and Appeal Board, or PTAB, declared Patent Interference No. 106,023, or Interference Proceeding, between our U.S. Patent Application No. 11/567,871, or '871 application, and U.S. Patent No. 8,399,514, or '514 patent, held by a subsidiary of Biogen, Inc. (all subsidiaries of Biogen, Inc., together with Biogen, Inc., hereafter collectively referred to as Biogen), both of which contain claims that cover a method of treating multiple sclerosis, or MS, using about a 480 mg daily dose of dimethyl fumarate, or DMF. If the Company is successful in the Interference Proceeding after any appeals (including *en banc* review) to the U.S. Court of Appeals for the Federal Circuit, or Federal Circuit, it will be eligible to receive royalties starting as early as 2021 based on Biogen's net sales as defined in our Settlement and License Agreement dated as of January 17, 2017, or License Agreement, with two subsidiaries of Biogen that became effective on February 1, 2017, provided that other conditions of the License Agreement are satisfied. However, as explained below, the outcome of the Interference Proceeding is uncertain, and even if we prevail in the Interference Proceeding after any appeals to the Federal Circuit, there is no assurance that we will receive further payments from Biogen under the License Agreement.

An interference is an administrative proceeding at the United States Patent and Trademark Office, or USPTO, to determine which party is the first to invent an invention claimed by two parties. The party with the earliest effective filing date to the common invention is designated "senior party" and is entitled to the presumption that it is the first inventor. Biogen, as the junior party in the Interference Proceeding, has the burden of proof to show a date of invention that predates our invention. During an interference, the parties can dispute the patentability of the other party's claims, challenge the senior party designation and present proof of prior invention. Interference proceedings typically involve both a "motions" phase and a "priority" phase. However, in this Interference Proceeding those two phases were combined.

At the outset of the Interference Proceeding, the administrative patent judge accorded the Company benefit of the filing date of our Danish Application No. PA 2004 01546, filed on October 8, 2004. Biogen filed a motion in the Interference Proceeding to vacate benefit to this priority date. Although we believe we are entitled to the benefit of this priority date, and have opposed Biogen's motion, there is no assurance that the USPTO will agree with us. Biogen also filed a motion in the Interference Proceeding alleging that our claims are unpatentable under 35 U.S.C. Section 112 for lack of written description and lack of enablement. The PTAB granted this motion on March 31, 2017. While we do not believe Biogen has proven that our claims fail to satisfy Section 112 and have opposed Biogen's motion, there can be no assurance that we will be successful in appealing this decision. In addition, Biogen filed a motion for priority asserting February 19, 2004 as its date of conception of the invention claimed in its '514 patent, which is earlier than the October 8, 2004 priority date to which our '871 application has been accorded benefit. As the junior party in the Interference Proceeding, Biogen has the burden of proving an earlier date of conception and diligent reduction to practice of the invention from a date just before our earliest effective filing date through the date of Biogen's earliest alleged reduction to practice, which is currently Biogen's alleged first constructive reduction to practice

on February 8, 2007, the date of Biogen's U.S. provisional application. Thus, Biogen must show diligence for a 28-month period from October 2004 through February 2007. While we do not believe Biogen has proven entitlement to priority and have opposed Biogen's priority motion, there can be no assurance that we will be successful in doing so.

We filed four motions in the Interference Proceeding. Our first motion alleges that Biogen's '514 patent is unpatentable under 35 U.S.C. Sections 102 and/or 103 in view of the publication of our international application PCT/DK2005/000648. Our second motion alleges that Biogen's '514 patent claims are unpatentable under 35 U.S.C. Section 112 for lack of written description. Our third motion seeks benefit of the filing dates of our three additional Danish applications and our U.S. provisional application. Our fourth motion attacks Biogen's benefit claim to its February 8, 2007 U.S. provisional application. Biogen has opposed each of these motions and, while we believe our motions should be granted, there is no assurance we will be successful.

The oral argument for the Interference Proceeding took place on November 30, 2016. On March 31, 2017, the PTAB issued a decision in the Interference Proceeding in favor of Biogen. The PTAB ruled that the claims of the '871 application are not patentable due to a lack of adequate written description. The Company intends to appeal the decision to the Federal Circuit. The appeal is expected to last 12 months or longer. If the Company prevails in this appeal, we expect the Federal Circuit to remand the case to the PTAB, in order for the PTAB to resolve both parties' other outstanding motions, including Biogen's priority motion. The oral argument for the inter partes review, or IPR, against Biogen's '514 patent, which was instituted in response to a request from the Coalition for Affordable Drugs (IPR No. 2015-01993), was also held on November 30, 2016. On March 21, 2017, the PTAB issued a decision in the IPR holding that the claims of Biogen's '514 patent are patentable. The Coalition for Affordable Drugs has the right to appeal this decision.

If we ultimately prevail in the Interference Proceeding after all appeals to the Federal Circuit, we expect our '871 application to be in condition for allowance and Biogen's '514 patent to be cancelled. However, even if we prevail in the Interference Proceeding after any appeals to the Federal Circuit, there can be no assurance that we will obtain allowance of the '871 application or that, if we do obtain allowance of that application, that its claims will be royalty bearing under the License Agreement. Unless as a result of the Interference Proceeding after any appeals to the Federal Circuit we obtain issuance of a patent with a claim that covers treatment for MS by orally administering 480 mg per day of DMF, we would not be entitled to any future royalties under the License Agreement with respect to sales in the U.S.

If Biogen is successful after any appeals to the Federal Circuit in proving that our claims are unpatentable, we would not prevail in the Interference Proceeding. Even if we can defeat Biogen's argument that our claims are unpatentable, if Biogen is successful after any such appeals in proving an earlier date of conception and diligent reduction to practice, we would not prevail in the Interference Proceeding unless we can successfully prove that Biogen's claims are unpatentable. Even if Biogen were to lose any appeal of the decision in the IPR brought by the Coalition for Affordable Drugs (IPR No. 2015-01993), we may not prevail in the Interference Proceeding. If we fail as a result of the Interference Proceeding after any appeals to the Federal Circuit to obtain issuance of a patent with a claim that covers treatment for MS by orally administering 480 mg per day of DMF, we would not be entitled to any future royalties from Biogen under the License Agreement with respect to sales in the U.S. Moreover, if Biogen prevails in the Interference Proceeding and IPR, after any appeals to the Federal Circuit, we may be prevented from commercializing our lead product candidate, FP187, for MS in the U.S. at a 480 mg per day dose. Were this to occur, we would review opportunities to develop other DMF-containing formulations and products, including generics, consistent with the terms of the License Agreement. If we are unable to commercialize FP187 or any other product for sale in the U.S., we would be unable to generate any revenue from such a product.

Even if we prevail, after any appeals, in the Interference Proceeding, there can be no assurance that the license to Biogen in the U.S. will become exclusive.

Under the License Agreement, Biogen was granted a perpetual, irrevocable, co-exclusive royalty-bearing license to the Company's intellectual property in the U.S. No later than 215 days after a final decision in the Interference Proceeding, after any appeals to the Federal Circuit, and if all other conditions of the License Agreement are met within the time period set forth in the License Agreement, which include the absence of legal restraints and termination or expiration of any required waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or HSR Act, Biogen will obtain a perpetual, irrevocable, exclusive royalty-bearing license to the Company's U.S. intellectual property. Satisfying any conditions sought by regulators in connection with any HSR Act review could alter the terms of the License Agreement, which could have an adverse effect on the Company. If any regulatory conditions are not satisfied within the time period set forth in the License Agreement, and Biogen does not elect to obtain the exclusive license, then the U.S. license will remain an irrevocable co-exclusive license, under which the Company will maintain the ability to develop and commercialize medicines based on its intellectual property or to assign, on one occasion only, its co-exclusive license rights to a single third party, at the Company's discretion.

There can be no assurance that we will prevail in the opposition proceeding involving our EP2801355 patent or, if we do prevail, that the resulting claims of our EP2801355 patent will be royalty bearing under the License Agreement.

We are involved in an opposition proceeding regarding EP2801355, or EP'355 patent, with several opponents including Biogen, or Opposition Proceeding. There can be no assurance that we will be successful in the Opposition Proceeding. If the Company is unsuccessful in the Opposition Proceeding, the Company would not be entitled to future royalties on Biogen's net sales outside the U.S.

Even if we prevail, after any appeals, in the Interference Proceeding and/or Opposition Proceeding, there can be no assurance that we will receive additional payments under the License Agreement.

Even if we prevail, after any appeals, in the Interference Proceeding and/or Opposition Proceeding, there can be no assurance that any of the conditions for payment of a royalty under the License Agreement will be satisfied or that we will receive any additional payments. For example, we could prevail in the Interference Proceeding, after any appeals, but fail as a result of that proceeding to obtain an issued patent with a claim that covers treatment for MS by orally administering 480 mg per day of DMF, in which case we would not be eligible for any royalties from Biogen with respect to sales in the U.S. Moreover, even if we prevail, after any appeals, in the Interference Proceeding, we will only be eligible to receive royalties on sales in the U.S. if one or more of our patent(s) remains valid and would (but for the License Agreement) be infringed at relevant times by Biogen's sales in the U.S. of DMF-containing products indicated for treating MS, and other conditions of the License Agreement are satisfied.

Similarly, we could prevail in the Opposition Proceeding, after any appeals, but fail as a result of that proceeding to obtain issuance of patent with a claim that covers treatment for MS by orally administering 480 mg per day of DMF, in which case we would not be entitled to any royalties from Biogen with respect to sales outside of the U.S. Moreover, even if we prevail, after any appeals, in the Opposition Proceeding, we will only be eligible to receive royalties outside of the U.S. if one or more of our patent(s) remains valid and would (but for the License Agreement) be infringed, at relevant times and on a country-by-country basis, by Biogen's sales outside the U.S. of DMF-containing products indicated for treating MS, and other conditions of the License Agreement are satisfied.

In addition, we may be required in any arbitration or suit brought in the County of New York in the State of New York according to the dispute resolution provisions of the License Agreement, to

incur significant expense to prove, on a country-by-country basis, that any DMF-containing products indicated for treating MS sold by Biogen would (but for the License Agreement) infringe our patent(s) existing at that time. Additionally, among the conditions that needs to be satisfied for any royalty to be payable by Biogen to the Company in a particular country is the absence of generic entry in that country having a particular impact as defined in the License Agreement. Even if our royalty-eligible patents were to remain valid, there can be no assurance that we would obtain royalties beyond 20 years from their effective filing date. In particular, there can be no assurance that we will obtain patent term adjustment that will fully compensate us for all time lost during prosecution of our U.S. applications, and no assurance that we will receive or maintain Supplementary Protection Certificates, or SPCs, for each of our European patents.

We are likely to derive all or a significant portion of our future revenues, if any, from Biogen and our future success depends on continued market acceptance of Tecfidera® as well as continued performance by Biogen of its obligations under the License Agreement.

We anticipate that all or a significant portion of our future revenues, if any, may consist of royalties from Biogen from sales of Tecfidera®. We have no control over the sales efforts of Biogen, and its future marketing of Tecfidera® might not be successful. Reductions in the sales volume or average selling price of Tecfidera® for any reason could have a material adverse effect on our business. We also depend on Biogen to perform all of its non-royalty payment obligations under the License Agreement.

Failure to materially comply with the terms and conditions of the License Agreement could result in a loss of future royalty revenues and even if we comply with the terms of the License Agreement, we could lose control of our intellectual property.

Under the terms of the License Agreement we are required to perform certain obligations, including maintaining sufficient capital to continue the Company's operations as a going concern and solvent entity. Failure by the Company to materially comply with its obligations under the License Agreement could cause the Company to lose its right to royalties from Biogen under the License Agreement. In addition, pursuant to the License Agreement, we have agreed to use our commercially reasonable efforts to effect a corporate restructuring whereby we ultimately would transfer our intellectual property to a company owned by a self-governing independent foundation or a subsidiary that may be partially owned or controlled by Biogen or, subject to certain conditions, the shares of which may be pledged to Biogen. As a result, we will no longer have full control over our intellectual property. Even though we have agreed with Biogen that any foundation or subsidiary will be required to take actions with respect to the transferred intellectual property in accordance with the provisions of the License Agreement, there can be no assurance that it will do so. Further, in the event that the company holding the transferred intellectual property would materially breach its obligations under the License Agreement, Biogen would have a right to purchase all of the issued and outstanding shares of such company at a price corresponding to its intrinsic value at the time of exercise. Finally, in the event the foundation was to file for bankruptcy, a bankruptcy trustee would have substantial discretion to transfer or sell the assets of the foundation. In either such event, we could lose any right to control the transferred intellectual property, which could have a materially adverse effect on our business.

If serious adverse, undesirable or unacceptable side effects occur with respect to Tecfidera® or another DMF-containing or fumaric acid-containing product, future royalties or other payments to us may be adversely affected.

It is documented in the Tecfidera® label that the use of DMF may cause a decrease in lymphocytes (a group of white blood cells) in humans, thereby possibly increasing the potential for infection; this is also the case for other fumaric acid ester-containing products. A patient taking Tecfidera® in an

extension study, who suffered from severe lymphopenia for more than three years, developed progressive multifocal leukoencephalopathy, or PML, a rare brain infection, and died of pneumonia. At least three other cases of PML have been reported in patients being treated with Tecfidera®, again in the presence of persistent lymphopenia. As a result, Biogen revised the U.S. label of Tecfidera® in December 2014 and February 2016 to include a warning about PML and to increase the frequency of monitoring of lymphocyte counts. To date, we are not aware of instances in which this side effect has prevented the U.S. Food and Drug Administration, or FDA, from approving DMF-containing products, although the FDA requires monitoring of the lymphocyte levels in individual patients under treatment with Tecfidera®.

In January 2017, Biogen updated the U.S. label of Tecfidera® to include new text on the potential for liver injury under treatment with Tecfidera®. This was based on the occurrence of clinically significant cases of liver injury having been reported in patients treated with Tecfidera® in the post-marketing setting. The label update also introduced a requirement for monitoring of liver parameters before and regularly during treatment with Tecfidera®.

We expect that the FDA is likely to require similar language in the label of any other DMF-containing products of Biogen, the Company or any assignee of our U.S. co-exclusive license rights. Any reduction in sales of Tecfidera® or another DMF-containing product due to undesirable or unacceptable side effects including, but not limited to, the side effects mentioned above, could have a material adverse effect on any royalties or other payments that might otherwise be paid to us, which could have a material adverse effect on our business, financial condition and prospects.

Our future growth and ability to compete depends on retaining our key personnel and recruiting additional qualified personnel.

Our success depends upon the continued contributions of our management. These individuals currently include the members of our board of directors, consisting of our Chairman, Florian Schönharting, as well as Torsten Goesch, Jan G. J. van de Winkel, Grant Hellier Lawrence, Jakob Mosegaard Larsen, Karen Smith, Duncan Moore, and our Chief Executive Officer, Claus Bo Svendsen, our Chief Financial Officer, Joel Sendek, and our Vice President, Finance and Controller, Forward Pharma USA, LLC, Thomas Carbone.

The loss of directors or key executives could have a material adverse effect on our business. In addition, the competition for qualified personnel in the biopharmaceutical field is intense, and our future success may depend upon our ability to attract, retain and motivate managerial employees and consultants. We face competition for personnel from other companies, universities, public and private research institutions and other organizations. If our recruitment and retention efforts are unsuccessful, it may be difficult for us to implement our business strategy, which could have a material adverse effect on our business.

The Company or any assignee of our U.S. co-exclusive license rights seeking to advance FP187 or another DMF-containing formulation will be subject to extensive regulation, compliance with which is costly and time consuming, and which may delay or prevent receipt of the required approvals to commercialize the product candidate, which may delay or prevent our receipt of any royalties or other payments.

The Company or any assignee of our U.S. co-exclusive license rights seeking to advance FP187 or another DMF-containing formulation, which we collectively refer to as a DMF Formulation, will not be permitted to market its product candidate until it receives approval from FDA. The process of obtaining FDA approval is expensive, often takes many years, and can vary substantially based upon the type, complexity, and novelty of the products involved, as well as the target indications. Approval policies or regulations may change and regulatory authorities have substantial discretion in the drug approval process, including the ability to delay, limit, or deny approval of a product candidate for many

reasons. Despite the time and expense invested in clinical development of product candidates, regulatory approval is never guaranteed and may never be obtained.

The FDA can delay, limit, or deny approval of a product candidate for many reasons, including:

- disagreement with the number, design, size, duration, conduct or implementation of clinical trials or the adequacy of pre-clinical studies;
- inability to demonstrate to the satisfaction of the FDA that a product candidate is safe and effective for any indication;
- requirement to conduct additional clinical trials or pre-clinical studies;
- refusal to accept clinical data from trials that are conducted at clinical facilities in countries where the standard of care is potentially different from the U.S.;
- disagreement on the interpretation of clinical data;
- inability to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- refusal to approve the formulation, labeling or specifications of the product candidate; and
- identification of deficiencies in the manufacturing processes or facilities of third-party manufacturers.

In addition, competitors could attempt to use the regulatory process to delay or prevent approval of the product candidate. Should any of the events described above occur, this could have a material adverse effect on our business, financial condition and results of operations.

Pre-clinical and clinical drug development involves a lengthy and expensive process with uncertain timelines and uncertain outcomes. If pre-clinical or clinical trials of a DMF Formulation are prolonged and/or delayed, we or any assignee of our U.S. co-exclusive license rights may be unable to obtain required regulatory approvals, and therefore may be unable to commercialize the product on a timely basis or at all, which would adversely affect any future revenues.

To obtain the requisite regulatory approvals to market a DMF Formulation, we or any assignee of our U.S. co-exclusive license rights must demonstrate that it is safe and effective in humans for its intended use. This may involve extensive pre-clinical and clinical trials. The process for obtaining governmental approval to market a DMF Formulation is rigorous, time-consuming and costly. It is impossible to predict the extent to which this process may be affected by legislative and regulatory developments. Due to these and other factors, a DMF Formulation could take significantly longer to gain regulatory approval than expected or may never gain regulatory approval. This could delay or eliminate our ability to generate revenue, including any royalties or other payments to us from any such assignee, by delaying or terminating the potential commercialization of any DMF Formulation.

Pre-clinical trials must be conducted in accordance with FDA and other applicable regulatory authorities' legal requirements, regulations or guidelines, including good laboratory practice, or GLP, an international standard meant to harmonize the conduct and quality of nonclinical studies and the reporting of findings. Pre-clinical studies including long-term toxicity studies and carcinogenicity studies in experimental animals may result in findings which may require further evaluation, which could affect the risk-benefit evaluation of clinical development, or which may even lead the regulatory agencies to delay, prohibit the initiation of or halt clinical trials or delay or deny marketing authorization applications. Failure to adhere to the applicable GLP standards or misconduct during the course of the study may invalidate the study and therefore require us, or our assignee, if any, to repeat the study.

Clinical trials must be conducted in accordance with FDA and other applicable regulatory authorities' legal requirements, regulations or guidelines, including good clinical practice, or GCP, an international standard meant to protect the rights and health of patients and to define the roles of clinical trial sponsors, administrators and monitors. Clinical trials are further subject to oversight by these governmental agencies and Institutional Review Boards, or IRBs, at the medical institutions where the clinical trials are conducted. In addition, clinical trials must be conducted with supplies of a DMF Formulation produced under current good manufacturing practices, or cGMP, and other requirements. Clinical trials may be conducted at multiple sites, including some sites in countries outside the U.S., which may subject us or any assignee of our U.S. co-exclusive license rights to further delays and expenses as a result of increased shipment costs, additional regulatory requirements and the potential engagement of non-U.S. and non-European Union clinical research organizations, as well as expose us to risks associated with clinical investigators who are unknown to the FDA, and with different standards of diagnosis, screening and medical care.

Positive or timely results from pre-clinical studies and early-stage clinical trials do not ensure positive or timely results in late-stage clinical trials or product approval by the FDA.

Products that show positive pre-clinical or early clinical results may not show sufficient safety or efficacy to obtain regulatory approvals and therefore fail in later-stage clinical trials. The FDA has substantial discretion in the approval process, and in determining when or whether regulatory approval will be obtained for any DMF Formulation. Even if the data collected from clinical trials of any DMF Formulation is believed to be promising, such data may not be sufficient to support approval by the FDA.

Delays could be encountered if a clinical trial is suspended or terminated by the Company, our assignee, if any, by the IRBs of the institutions in which such trials are being conducted, by the Data Monitoring Committee for such trial, or by the FDA or other regulatory authorities. The Company, our assignee, if any, or such authorities may impose a suspension or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or clinical protocols, inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold, safety issues or adverse side effects, failure to demonstrate a benefit from using the drug, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. If we or our assignee, if any, experience delays in the completion of, or termination of, any clinical trial of any DMF Formulation, the commercial prospects of the DMF Formulation may be harmed, and our ability to generate revenue, including royalties or other payments from any assignee of our U.S. co-exclusive license rights, may be delayed.

In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials also may ultimately lead to the denial of regulatory approval of any DMF Formulation. Significant clinical trial delays could also allow competitors to bring products to market before we or our assignee do, which could impair our ability to generate revenue, including revenue from our assignee.

Even if we or any assignee of our U.S. co-exclusive license rights seeking to advance a DMF Formulation obtain regulatory approval for such a formulation, it will be subject to continual regulatory review. The outcome of, or failure to comply with, such review could impair our ability or the ability of any assignee of ours to sell such a formulation and therefore our ability to generate revenue.

Even if marketing authorization is obtained for a DMF Formulation, it will remain subject to continual review and therefore authorization could be subsequently withdrawn or restricted. We or any assignee of our U.S. co-exclusive license rights will be subject to ongoing obligations and oversight by regulatory authorities, including adverse event reporting requirements, marketing restrictions and,

potentially, other post-marketing obligations, the failure to comply with which could result in regulators issuing warning and/or untitled letters to us or our assignee, if any, imposing fines on us or such an assignee, imposing restrictions on any DMF Formulation developed by us or our assignee, if any, or its manufacture, or requiring the recall or removal of a product from the market, among other things. If any of these events occurs, our ability or the ability of our assignee, if any, to sell such product may be impaired or delayed, which could impair or delay our ability to generate revenue, including revenue from such an assignee.

We may be unable to assign our co-exclusive license rights to a third party on terms that are acceptable to us, or at all.

If Biogen maintains a co-exclusive license, our success will depend in part on our ability or the ability of any assignee of our co-exclusive license rights to develop and commercialize a DMF Formulation. If we are unable to assign our co-exclusive license rights to a third party on terms that are acceptable to us, we would be required to develop and commercialize a DMF Formulation ourselves, which will be costly and time consuming, or otherwise rely for our revenue on royalties, if any, payable by Biogen, which would be limited to a royalty of 1% of Biogen's net sales in the U.S. of DMF-containing products indicated for treating MS that would (but for the License Agreement) infringe the Company's U.S. patents provided that other conditions of the License Agreement are satisfied. Failure to successfully develop and commercialize a DMF Formulation, or the incurrence of unexpected costs and expenses in doing so, would materially adversely affect our business.

Our industry is highly competitive and rapidly changing, which may result in others discovering, developing or commercializing competing products before or more successfully than Biogen, the Company or any assignee of our U.S. co-exclusive license rights.

The biopharmaceutical industry is highly competitive and subject to significant and rapid technological change. Our success is highly dependent on the ability of Biogen, the Company and/or any assignee of our U.S. co-exclusive license rights to market and sell a DMF-containing product, such as, in Biogen's case, Tecfidera®. We face and will continue to face intense competition from a variety of businesses, including large, fully integrated pharmaceutical companies, specialty pharmaceutical companies and biopharmaceutical companies, academic institutions, government agencies and other private and public research institutions in the U.S., the European Union, or EU, and other jurisdictions. These organizations may have significantly greater resources than those of Biogen, the Company or any assignee of our U.S. co-exclusive license rights do and may conduct similar research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and marketing of products that compete with Tecfidera®, FP187, or another DMF Formulation we or any assignee of our U.S. co-exclusive license rights may develop.

The highly competitive nature of and rapid technological changes in the biopharmaceutical industry could render obsolete or non-competitive Tecfidera®, FP187 or another DMF-containing product brought to market by Biogen, the Company or any assignee of our U.S. co-exclusive license rights. Competitors may, among other things:

- develop and commercialize products that are safer, more effective, less expensive, or more convenient or easier to administer;
- obtain quicker regulatory approval;
- establish superior intellectual property positions;
- have access to more manufacturing capacity;
- implement more effective approaches to sales and marketing; or

- form more advantageous strategic alliances.

Should any of these factors occur, our business, financial condition and results of operations could be materially adversely affected.

The successful commercialization of Tecfidera® or any other DMF-containing product brought to market by Biogen, the Company or any assignee of our U.S. co-exclusive license rights will depend, in part, on the extent to which governmental authorities, health insurers and other third-party payors establish or maintain adequate reimbursement levels and pricing policies.

The successful commercialization of Tecfidera® or any other DMF-containing product brought to market by Biogen, the Company, or any assignee of our U.S. co-exclusive license rights will depend, in part, on the extent to which third-party coverage and reimbursement for these products is or will be available from government and health administration authorities, private health insurers and other third-party payors.

These bodies may deny or revoke the reimbursement status of a given drug product or establish prices for new or existing marketed products at levels that are too low to enable realization of an appropriate return on our investment in product development. Obtaining and maintaining reimbursement status is time-consuming and costly. Significant uncertainty exists as to the reimbursement status of newly approved medical products. Furthermore, rules and regulations regarding reimbursement change frequently, in some cases on short notice, and we believe that additional changes in these rules and regulations are likely. In addition, many governments and health insurers are increasingly attempting to manage healthcare costs by limiting both coverage and the level of reimbursement of new products. As a result, they may not cover or provide adequate payment for future products.

These concerns are particularly present for drugs that use an active pharmaceutical ingredient, or API, such as DMF that is already available in other, approved drugs. Public and private payors may be willing to only provide coverage for any DMF-containing product brought to market by the Company or any assignee of our U.S. co-exclusive license rights if it can demonstrate a significant clinical advantage, or offer the drug at a price resulting in a treatment cost lower than other available drugs. Public and private payors may not be willing to grant reimbursement prices in line with our expectations.

The unavailability or inadequacy of third-party coverage and reimbursement could have a material adverse effect on the market acceptance of any DMF Formulation brought to market by the Company or any assignee of our U.S. co-exclusive license rights and any future revenue we may expect to receive from its sales. In addition, we are unable to predict what additional legislation or regulation relating to the healthcare industry or third-party coverage and reimbursement may be enacted in the future, or what effect such legislation or regulation would have on our business.

If Biogen maintains a co-exclusive license, the Company or any assignee of our U.S. co-exclusive license rights may be restricted in its ability to commercialize and sell products under the License Agreement in a timely fashion, which would limit any revenue, including royalties or other payments, that we might otherwise be entitled to receive.

Biogen has several issued patents and is also prosecuting a number of additional patent applications that could adversely impact the commercial efforts of the Company or any assignee of our U.S. co-exclusive license rights. These patents and applications, and those of third parties, could adversely impact the commercial efforts of the Company or any assignee of our U.S. co-exclusive license rights if, once approved by the FDA for the treatment of MS, the licensed product was found to infringe any valid patent claim issuing from any one of these applications. Further, the Company or such assignee could be required to pay substantial damages. Biogen and/or other competitors may

initiate legal proceedings against the Company or our assignee, if any, alleging infringement of their intellectual property rights. The outcome of such potential proceedings would be unpredictable and we could be prevented from generating revenue, including receiving royalties, milestone or other revenues from any assignee of ours. Moreover, in any such proceedings brought by Biogen, the License Agreement prohibits the Company from challenging the validity or enforceability of any Biogen patent.

Risks Related to Intellectual Property

We rely on patents and other intellectual property rights to protect our rights with respect to the development and commercialization of a DMF Formulation, the attainment, defense and maintenance of which may be challenging and costly. Failure to obtain, defend or maintain these rights adequately could materially adversely impact our ability to compete and impair our business.

Under the License Agreement, the Company has co-exclusive rights under the U.S. intellectual property to develop and commercialize a DMF Formulation in the U.S. unless and until Biogen obtains an exclusive license. If Biogen obtains an exclusive license, we would likely permanently discontinue development of a DMF Formulation in the U.S. Under the License Agreement, Biogen has exclusive rights, even as to the Company, under the intellectual property outside of the U.S. to develop and commercialize a DMF Formulation outside of the U.S.

In the event Biogen does not obtain an exclusive license under the License Agreement, and we maintain our U.S. intellectual property rights, we could still be prevented from commercializing a DMF Formulation for MS in the U.S. at a 480 mg per day dose if, as a result of the IPR (after any appeals by the Coalition for Affordable Drugs) and Interference Proceeding, Biogen's '514 patent is upheld as valid. In such event, under the terms of the License Agreement, Biogen has the option to purchase for a nominal price all of our U.S. intellectual property, in which case we would likely permanently discontinue development of a DMF Formulation in the U.S.

In the event Biogen does not obtain an exclusive license under the License Agreement, and the Company or any assignee of our U.S. intellectual property rights develops and commercializes a DMF Formulation in the U.S., our commercial success will depend in large part on obtaining and maintaining patents and other forms of intellectual property rights for such a formulation and/or its use, as well as on the defense and protection of such rights. Failure to protect or to obtain, maintain or extend adequate patent and other intellectual property rights could materially adversely impact our competitive advantage and impair our business.

Our patent portfolio in the U.S. consists primarily of two basic patent families, our "Core Composition Patent" family and our "Erosion Matrix Patent" family, along with three other patent families. Our issued patents may not be sufficient to protect our intellectual property and our patent applications may not result in issued patents. Even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner or challenge the validity of our patents. In the U.S., we have one issued patent with the patent number 8,906,420, entitled "Pharmaceutical formulation comprising one or more fumaric acid esters in an erosion matrix." Our other patent families include U.S. Patent Application Nos. 14/419,031, 14/914,031 and 14/914,025 directed, among other things, to dosing regimens of DMF.

Our pending U.S. applications may be subject to a third-party pre-issuance submission of prior art to the USPTO and/or any patents issuing thereon may become involved in derivation, IPR, post grant review, interference proceedings or other patent office proceedings or litigation challenging our patent rights. Activist investors, such as Kyle Bass of Hayman Capital, have sought to utilize the IPR process in the U.S. to challenge the validity of patents covering pharmaceutical products. Mr. Bass (acting with affiliated entities and individuals proceeding under the name of the Coalition for Affordable Drugs)

has filed three requests for IPRs against Biogen's patents related to Tecfidera®, including Biogen's '514 patent, which is involved in the Interference Proceeding. In March 2016, the PTAB announced that it would institute an IPR against Biogen's '514 patent in response to the Coalition for Affordable Drugs' request (IPR No. 2015-01993). On March 21, 2017, the PTAB issued a decision in the IPR holding that the claims of Biogen's '514 patent are patentable. The Coalition for Affordable Drugs has the right to appeal this decision. Because anyone can challenge third-party patents in an IPR, except for certain statutory limitations, there can be no assurance that our existing and future U.S. patents will not be so challenged. In fact, third-party pre-issuance submissions were filed with the USPTO questioning two U.S. patent applications from our core composition patent family that had been allowed by the USPTO, but which we subsequently voluntarily abandoned. It is possible that similar third-party pre-issuance submissions may also be filed if our currently pending patent applications (having substantially the same claims as our earlier allowed but now abandoned applications) are allowed. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, and allow third parties to commercialize our technology or products and compete directly with us, without payment to us. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to protect our intellectual property or develop or commercialize a DMF Formulation.

The issuance of a U.S. patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or USPTO. Such challenges may result in loss of ownership or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit the duration and scope of the patent protection of our technology and products. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

In addition, other companies may attempt to circumvent any regulatory data protection or market exclusivity that we obtain under applicable legislation, which may require us to allocate significant resources to preventing such circumvention. Such developments could enable other companies to circumvent our intellectual property rights and use our clinical trial data to obtain marketing authorizations in the U.S. Such developments may also require us to allocate significant resources to prevent other companies from circumventing or violating our intellectual property rights.

Our attempts to prevent third parties from circumventing our intellectual property and other rights ultimately may be unsuccessful. We also may fail to take the required actions or pay the necessary fees to maintain any of our patents that issue.

Intellectual property rights of third parties could adversely affect our ability to commercialize a DMF Formulation, such that we could be required to litigate with or obtain licenses from third parties. Such litigation or licenses could be costly or not available on commercially reasonable terms, if at all.

In the event that Biogen does not obtain an exclusive license, our commercial success will depend upon our ability or the ability of any assignee of our U.S. co-exclusive license rights, to develop, manufacture, market and sell a DMF Formulation without infringing valid intellectual property rights of third parties. If a third-party intellectual property right exists that covers the composition of a DMF Formulation, its manufacture, or the uses and dosages that the regulatory authorities approve for such a formulation, we or any assignee of ours may not be in a position to commercialize such a DMF Formulation unless we or our assignee, if any, successfully pursue litigation or administrative proceedings in the USPTO to nullify or invalidate the third-party intellectual property right concerned, or enter into a license agreement with the intellectual property right holder, which may not be available on commercially reasonable terms, if at all.

It is possible that we are unaware of all patents or applications relevant to the manufacture, use or commercialization of a DMF Formulation. For example, we have not conducted a recent freedom to operate search in connection with FP187 and its use to treat MS. Any freedom to operate search previously conducted may not have uncovered all relevant patents and patent applications, and there may be pending or future patent applications that, if issued, would block us from commercializing a DMF Formulation. For example, U.S. patent applications filed before November 29, 2000 remain confidential until patents issue. Typically, patent applications in the U.S. filed on or after November 29, 2000 and patent applications filed elsewhere are published approximately 18 months after the earliest filing for which priority is claimed. However, an exception exists whereby certain U.S. patent applications filed after that date that have not been filed outside the U.S. may remain confidential. Therefore, patent applications covering the composition of a DMF Formulation, its manufacture, or its use to treat MS could have been filed by others without our knowledge. In addition, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover such a DMF Formulation, its manufacture, or its use. As a result, we do not know whether the manufacture, use or commercialization of a DMF Formulation will infringe any third-party patents with valid claims that have been or will in the future be issued.

Third-party intellectual property right holders, including our competitors, may actively bring infringement claims against us. We may not be able to successfully settle or otherwise resolve such infringement claims. If we are unable to successfully settle or otherwise resolve such claims on terms acceptable to us, we may be required to engage in or continue costly, unpredictable and time-consuming litigation and we may not have sufficient resources to bring these actions to a successful conclusion. Many of our competitors have substantially greater financial resources than us, and therefore may be able to sustain the costs of complex patent litigation longer than us.

If we are found to infringe a third party's intellectual property rights, we could face a number of costs and challenges, including:

- substantial damages for past infringement that we may have to pay if a court decides that any product that we commercially market infringes on a competitor's patent;
- a court prohibiting us from selling or licensing our product unless the patent holder licenses the patent to us, which it would not be required to do;
- if a license is available from a patent holder, we may have to pay substantial royalties or grant cross licenses to our patents; and
- redesigning our products or processes so they do not infringe, which may not be possible or could require substantial funds and time.

If we are required to obtain a license from a third party to continue developing and marketing our products and technology, we may not be able to obtain such a license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. We could be forced, including by court order, to cease marketing the infringing technology or product. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed a patent. If we are required to redesign our formulations so that they no longer infringe the other party's intellectual property rights, we may be required to conduct additional clinical trials to obtain regulatory approval for the modified formulation, which would be costly and time-consuming. As a result, a finding of infringement could prevent us from commercializing our product candidates or force us to cease some of our business operations, which could materially harm our business. Claims that we have misappropriated the confidential information or trade secrets of third parties could also have a similar negative impact on our business.

Even if we were ultimately to prevail in an infringement or other claim, such a claim would likely require us to divert substantial financial and management resources that we would otherwise be able to devote to developing our business.

All of the foregoing applies equally to us or any assignee of our U.S. co-exclusive license rights.

There can be no assurance that even if we are successful in the opposition proceedings involving our patents currently pending before the EPO, we will not be subject to subsequent or parallel invalidity proceedings (also called "nullity actions" or "revocation actions") involving these same or other patents of ours before a national court in any of the European Patent Convention member states where our patents were validated, which subsequent or parallel proceedings could result in our challenged patents being subject to continued uncertainty as to their validity until such proceedings have been fully concluded. We cannot at this time anticipate how long any such proceedings may last or when, if at all, our patents currently under challenge will finally be declared to be valid or not.

The possibility of parallel validity proceedings in national courts and in the EPO is inherent in the legal arrangements under the European Patent Convention under which the EPO was established. If a third party files an opposition to a European patent with the EPO and also, in parallel, initiates a revocation action (also called a "nullity action" or "validity proceeding") against the same patent before a national court, certain national courts may exercise their discretion to either (i) stay the national proceedings, in order to await the outcome of the EPO opposition proceedings, or (ii) allow the revocation proceedings to go ahead, without awaiting the outcome of the EPO proceedings. The rules and practice differ from country to country within the member states of the European Patent Convention. For example, certain countries will stay the main proceeding until a final decision has been reached by the EPO whereas in other countries a stay is not automatic, and in such cases the courts may continue the proceedings notwithstanding the opposition. In Germany, for example, national nullity proceedings cannot be started before the German Federal Patent Court until the EPO opposition proceedings have been concluded or the opposition period has expired. As a result, it is possible that certain of our patents now subject to opposition proceedings before the EPO will, even if we are ultimately successful before the EPO, again become subject to a revocation action in a country like Germany, which means our challenged patents could be subject to continued uncertainty in the EU as to their validity until such proceedings have been fully concluded. We cannot at this time anticipate how long any such proceedings may last or when, if at all, our patents currently under challenge will finally be declared to be valid or not. Furthermore, even if we are successful in the Opposition Proceeding, we will only be eligible to receive royalties outside of the U.S. if our patent(s) remain valid at relevant times on a country-by-country basis, provided that other conditions of the License Agreement are satisfied.

If we or any assignee of our U.S. co-exclusive license rights pursue a DMF-containing product that is different from the versions of FP187 used in our Phase 1 trials and Phase 2 clinical trial, such modified DMF-containing product may be considered outside the scope of our patent families and, as a result, our ability to protect our overall patent estate could be threatened.

In connection with our Phase 1 trials and Phase 2 clinical trial, we have used and are using various versions of FP187 we believe to be within the scope of our existing patent families. There can be no assurance, however, that if we or any assignee of our U.S. co-exclusive license rights choose to pursue a DMF-containing product that is different from the versions of FP187 used in our completed Phase 1 trials and Phase 2 trial, that such DMF-containing product will not be considered outside of the scope of our patent families. In such event, such modified DMF-containing product could be subject to challenges in connection with new patent proceedings or otherwise by patent registry offices, competitors and others, the outcome of which could, if ultimately determined adversely to us or any

assignee of our U.S. co-exclusive license rights, materially adversely affect our business, financial condition and prospects.

We may be required to pay significant fees to the USPTO and our attorneys to file, prosecute, and maintain our licensed U.S. patent applications and patents with no assurance of receiving future royalties from Biogen

Under the License Agreement, the Company is obligated to use commercially reasonable efforts not to decline to file, prosecute or maintain its licensed U.S. patent applications and patents unless and until Biogen either assumes their prosecution and/or maintenance, obtains an exclusive license or exercises its option to purchase all of our U.S. intellectual property. However, there can be no assurance that any of these three scenarios will occur. In the event that none of these scenarios occurs, and the Company is not successful in the Interference Proceeding, after any appeals, we could be obligated to pay significant prosecution fees, both to the USPTO and in attorneys' fees, to file, prosecute and maintain our licensed U.S. patent applications and patents, but would not be entitled to receive any royalties from Biogen.

We may become involved in lawsuits to protect, defend and enforce our patents or other intellectual property, which could be expensive, time consuming and, if unsuccessful, could result in issued patents covering our product candidate being found invalid or unenforceable.

Competitors may infringe our patents or other intellectual property. To counter such infringement, we or any assignee of our U.S. co-exclusive license rights may file claims or be required to join or assist claims filed by Biogen, and any related litigation and/or prosecution of such claims may be expensive and time consuming. Any claims asserted against perceived infringers could provoke these parties to assert claims alleging that we or our assignee, if any, infringe their intellectual property. In addition, in a patent infringement proceeding, or a parallel opposition, nullity or cancellation proceeding, it may be decided that a patent of ours is invalid in whole or in part, unenforceable, or construe the patent's claims narrowly allowing the other party to commercialize competing products on the grounds that our patents do not cover such products.

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us or any assignee of our U.S. co-exclusive license rights to incur significant expenses and could distract our technical and management personnel from their normal responsibilities. Such litigation or proceedings could substantially increase our operating expenses and reduce our resources available for development activities. We or any assignee of our U.S. co-exclusive license rights may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some competitors may be able to sustain the costs of such litigation or proceedings more effectively than we or our assignee, if any, can because of their substantially greater financial resources. The effects of patent litigation or other proceedings could therefore have a material adverse effect on our ability, including the ability of any assignee of our U.S. co-exclusive license rights, to compete in the marketplace.

Third parties may claim rights including ownership rights in our intellectual property.

None of the named inventors on our patent and patent applications were our employees at the time of the filing of the Core Composition Patent family, which we acquired from Aditech Pharma AB (together with its successor-in-interest, Swiss company Aditech Pharma AG, or Aditech). Two of the named inventors of the priority applications in the Core Composition Patent family were consultants of Aditech and, while obligated under their consulting agreements to assign their rights in the Core Composition Patent family to Aditech, were employed by other institutions at the time they were named as inventors. While such institutions have not made any claims to ownership, there can be no assurance they will not do so in the future.

Later-filed patent families were filed by us, but some of the named inventors were acting only in a consultant capacity to us. Some of these consultants, while obligated under their consulting agreements to assign their rights in such patent families to us, were employed by other institutions prior to or at the time they made their inventions. While such institutions have not made any ownership claims to the inventions disclosed in the later-filed patent families, there can be no assurance they will not do so in the future.

Named inventors on our patent applications, whether filed by us or acquired from Aditech, could also challenge whether their property rights were properly assigned. Further, other individuals (including persons not known to us or their employers) could make claims or assertions that they are inventors and/or owners of our intellectual property.

Under mandatory Danish law, a salaried employee having made a patentable invention (and products that may be registered as a utility model) through his service with an employer has the rights to such invention, provided however, that the rights to the patentable invention upon the employer's request must be transferred to the employer, to the extent not otherwise agreed, provided that the use of such patentable invention falls within the "working area" of the employer or it is a result of a specific assignment given by the employer to the employee. Following notification from the employee of the invention, the employer has four months to decide whether to apply for a patent, in whole or in part, for the invention in the employer's name. Such a transfer of the invention to the employer entitles the employee to a "reasonable compensation." The fee will be fixed considering the value of the invention and its consequences for the employer, the employee's terms of employment and the impact that the employee's service has had for the invention. In the event that the value of the invention does not exceed what the employee, taking his working conditions as a whole into account, reasonably could be expected to achieve, the employee is not entitled to any fee. The compensation payable by the employer is not subject to any maximum amount and may be paid either as a lump sum or as a continuing royalty payment based on, for example, the number of items produced based on the invention. An employee's claim for compensation may become time-barred or forfeited due to the employee's passive behavior. The general relative time-barring deadline under Danish law is five years with respect to claims based on employment matters, whereas the general absolute deadline for such claims is 10 years.

Some of the named inventors on our newer applications (not the Core Composition Patent or Erosion Matrix Patent) are employees of our wholly owned German subsidiary, Forward Pharma GmbH, and thus are subject to German employment law. German employment law governs the transfer/assignment of any intellectual property rights generated by such employees. In particular, any inventions eligible for patent protection made by such employees are subject to the provisions of the German Act on Employees' Inventions (Gesetz über Arbeitnehmererfindungen), which regulates the ownership of, and compensation for, inventions made by employees. The law provides for a formal procedure for the transfer of an employee's rights to patentable inventions which result from performance of the tasks the employee is charged with at the employer or which are based to a significant extent on the experiences or works of the employer, upon the employer's request within a certain period of time after notification by employee.

We believe that all inventive contributions made by employees of Forward Pharma GmbH were made after the amended version of the German Act on Employees' Inventions came into force on October 1, 2009, and thus the amended version of the law exclusively applies to such inventions. Prior to October 1, 2009, such formal procedure had been susceptible to faults. The amendments to the law facilitate the transfer of rights in employees' inventions to the employer by replacing the former opt-in approach with an opt-out approach.

Following the transfer of rights, an employee is entitled to a claim for "reasonable compensation" to be calculated on an individual basis (e.g., revenue achieved through protection of the patent). In

addition, the German Act on Employees' Invention provides for certain obligations on the employer including the obligation to apply for patent protection in Germany, the obligation to release the invention for application in those countries where the employer does not want to apply for a patent and the obligation to offer to the employee granted patents or pending patent applications if the employer intends to abandon rights in any country.

We face the risk that disputes can occur between us and employees or ex-employees of Forward Pharma GmbH pertaining to alleged non-adherence to the provisions of this act. Such disputes may be costly to defend and take up our management's time and efforts whether we prevail or fail in such dispute. If we are required to pay additional compensation or face other disputes under the German Act on Employees' Inventions, in particular in case of a failed transfer of rights, our results of operations could be adversely affected.

Intellectual property rights do not address all potential threats to our competitive advantage.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business, or permit us to maintain any competitive advantage we may enjoy. The following examples are illustrative:

- Others may be able to commercialize DMF-containing products that are similar to a DMF Formulation that we may develop but that are not covered by the claims of the patents or patent applications that we own, will own or may transfer to any assignee of our U.S. co-exclusive license rights.
- Others may independently develop similar or alternative technologies or otherwise circumvent any of our technologies without infringing our intellectual property rights.
- We might not have been the first to conceive and reduce to practice the inventions covered by the patents or patent applications that we own, license or will own or license.
- We might not have been the first to file patent applications on the inventions disclosed in those applications.
- It is possible that our pending patent applications will not lead to issued patents.
- Issued patents that we own may not provide us or any assignee of our U.S. co-exclusive license rights with any competitive advantage, or may be held invalid or unenforceable, as a result of legal challenges by our competitors.
- Our competitors might conduct research and development activities in countries where we do not have patent rights, or in countries where research and development safe harbor laws exist, and then use the information learned from such activities to develop competitive products for sale in our major commercial markets.
- Ownership of our patents or patent applications may be challenged by third parties.
- The patents of third parties or pending or future applications of third parties, if issued, may have an adverse effect on our business.

Changes in patent laws or patent jurisprudence could diminish the value of patents in general, thereby impairing our ability to protect our products or product candidates.

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and protecting patents in the biopharmaceutical industry involves both technological and legal complexity. Therefore, obtaining and protecting biopharmaceutical patents is costly, time-consuming and inherently uncertain. The U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection

available in certain circumstances or weakening the rights of patent owners in certain situations. Such examples include:

- *Kimble et al. v. Marvel Enterprises, Inc.*(2015), where the Court upheld a 50-year-old precedent which bars royalty agreements that continue after a patent expires.

- *Nautilus, Inc. v. Biosig Instruments, Inc.*(2014), where the Court imposed a stricter requirement for clarity of claim language than previously applied by the Federal Circuit, thereby making it easier to invalidate patents for insufficiently apprising the public of the scope of the invention.

- *Limelight Networks, Inc. v. Akamai Technologies, Inc.*(2014), where the Court articulated a standard for inducement of infringement that makes it more difficult to establish liability for inducing infringement of a multi-step method claim that is performed by multiple parties.

- *Association for Molecular Pathology v. Myriad Genetics, Inc.*(2013), where the Court held that isolated naturally-occurring DNA is patent ineligible subject matter.

- *KSR v. Teleflex* (2007), where the Court decided unanimously that the Federal Circuit had been wrong in taking a narrow view of when an invention is "obvious" and thus cannot be patented.

- *EBay Inc. v. MercExchange, LLC* (2006), where the Court heightened the standard for an injunction after a finding of patent infringement.

- *Merck KGgA v. Integra Lifesciences* (2004), where the Court adopted an expansive interpretation of the activities associated with regulatory approval exempt from patent infringement.

The Leahy-Smith America Invents Act, or AIA, was enacted in the U.S. in 2011, and includes a number of significant changes to the U.S. patent system. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, the combination of the U.S. Supreme Court decisions and AIA has created uncertainty with respect to the value of patents, once obtained. A few highlights of changes to U.S. patent law under the AIA are:

- Under the AIA, a patent is awarded to the "first-inventor-to-file" rather than the first to invent.

- There is a new definition of prior art that removes geographic and language boundaries found in the pre-AIA law. At the same time, certain categories of "secret" prior art have been eliminated.

- The AIA introduced new procedures for challenging the validity of issued patents by third parties: post-grant review and IPR.

- Patent owners under the AIA may now request supplemental examination of a patent to consider, reconsider, or correct information believed to be relevant to the patent.

- The AIA allows third parties to submit any patent, published application, or publication relevant to examination of a pending patent application with a concise explanation for inclusion during prosecution of the patent application.

The "first-inventor-to-file" system and the new definitions of prior art apply to U.S. patent applications with claims having an effective filing date on or after March 16, 2013. Until at least 2034, patent practice will involve both pre-AIA and AIA laws.

Depending on actions or decisions by the U.S. Congress, the federal courts, and the USPTO, the laws and regulations governing patents could change in unpredictable ways that could weaken our ability or the ability of any assignee of our U.S. co-exclusive license rights to obtain new patents or to protect our existing patents and future patents. Similarly, the complexity and uncertainty of European patent laws have also increased in recent years. In Europe, a new unitary patent system may soon be introduced, which would significantly impact European patents, including those granted before the introduction of such a system. In addition, the European patent system is relatively stringent in the type

of amendments that are allowed during prosecution and opposition proceedings. Changes in patent law or patent jurisprudence could limit our ability or the ability of any assignee of our U.S. co-exclusive license rights to obtain new patents in the future that may be important for our business.

We may not be able to adequately prevent disclosure of trade secrets and protect other proprietary information.

We consider proprietary trade secrets and/or confidential know-how and unpatented know-how to be important to our business. We or any assignee of our U.S. co-exclusive license rights may rely on trade secrets and/or confidential know-how to protect proprietary technology, especially where patent protection is believed by us to be of limited value. However, trade secrets and/or confidential know-how can be difficult to maintain as confidential.

To protect this type of information against disclosure or appropriation by competitors, our policy is to require our employees, consultants, contractors and advisors to enter into confidentiality agreements with us. However, current or former employees, consultants, contractors and advisors may unintentionally or willfully disclose our confidential information to competitors, and confidentiality agreements may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. Enforcing a claim that a third party obtained illegally and is using trade secrets and/or confidential know-how is expensive, time consuming and unpredictable. The enforceability of confidentiality agreements may vary from jurisdiction to jurisdiction.

Failure to obtain or maintain trade secrets and/or confidential know-how could adversely affect our competitive position or that of any assignee of our U.S. co-exclusive license rights. Moreover, our competitors may independently develop substantially equivalent proprietary information and may even apply for patent protection in respect of the same. If successful in obtaining such patent protection, our competitors could limit our or any assignee's use of our trade secrets and/or confidential know-how.

Risks Related to our Financial Position and Capital Needs

We have a history of operating losses through 2016. While we expect to report a profit in 2017, we may not achieve or sustain profitability thereafter.

We incurred net losses of $33.3 million, $37.0 million and $19.0 million for the years ended December 31, 2016, 2015 and 2014, respectively. As of December 31, 2016, we had an accumulated deficit of $147.5 million. Our losses have resulted principally from expenses incurred in research and development of FP187, from general and administrative expenses that we have incurred while building our business infrastructure, and from fair value adjustments to certain convertible loans and net settlement obligations to shareholder warrants. On February 9, 2017, we received a non-refundable cash fee of $1.25 billion, or Non-refundable Fee, from Biogen in connection with the License Agreement, and expect to show a profit for 2017. This was a one-time payment (in addition to potential future royalty payments) and there is no assurance that we will be profitable thereafter.

Prior to 2017, we financed our operations through our initial public offering completed in October 2014, private placements of equity securities, grants from governmental bodies and debt financing arrangements. We have never generated and do not anticipate generating any revenues from product sales. We believe that our existing cash and cash equivalents will enable us to fund our operating expenses and capital expenditure requirements beyond the next 12 months. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect.

Even if we do generate revenue, including from future royalties on sales or other payments by assignees, we may never achieve or sustain profitability on a consistent basis or at all. Our failure to sustain profitability could depress the market price of our ordinary shares and American Depositary Shares, or ADSs and could impair our ability to raise capital, expand our business, diversify our product offerings or continue our operations. A decline in the market price of our ordinary shares and ADSs also could cause you to lose all or a part of your investment.

If future distributions to shareholders or other expenses result in the Company having insufficient cash to fund its operating expenses, we may be required to raise additional capital to fund our operations, and we may not be able to do so on terms acceptable to us, or at all.

We are currently evaluating different means to deliver to our shareholders a substantial portion of the $1.25 billion payment that we received from Biogen, which may include dividends, distributions, share repurchases or other means. The amount to be distributed is unknown at this time but we estimate the dividend, distribution, share repurchase or other return of capital will occur during the second quarter of 2017. We are required under the terms of the License Agreement to maintain sufficient capital to continue the Company as a going concern and a solvent entity, plus an additional $5.0 million until such time as the Company has complied with certain obligations under the License Agreement. While we intend to leave sufficient resources in the Company to enable us to comply with our obligations under the License Agreement and to continue operations until such time, if ever, as we can generate revenue on sales, including from any assignee, our estimates and assumptions about how much capital will be required could prove to be wrong and we may need to raise additional capital to fund our operations. We cannot assure you that we will be able to raise additional working capital as needed on terms acceptable to us, if at all. If we are unable to raise capital as needed, we may be required to reduce the scope of our operations, which could harm our financial condition and operating results, or cease our operations entirely.

In the event we need to seek additional funds, we may raise additional capital through the sale of equity or convertible debt securities. In such an event, the ownership interests of our existing equity holders will be diluted, and the terms of any new securities may include liquidation or other preferences that adversely affect the rights of our existing equity holders. In addition, the issuance of additional equity securities by us, or the possibility of such issuance, may cause the market price of our ADSs to decline. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions such as incurring additional debt, making capital expenditures or declaring dividends.

Future distributions to shareholders may be subject to withholding tax.

As noted above, we are currently evaluating different means to deliver to our shareholders a substantial portion of the $1.25 billion payment that we received from Biogen, which may include a return of capital by way of a dividend, among other means currently being evaluated. Should we determine to pay a dividend to our shareholders, such dividend may be subject to withholding tax. Under Danish law, dividends paid in respect of shares are generally subject to Danish withholding tax at a rate of 27%. Withholding tax at a rate of 27% generally applies to shareholders resident outside of Denmark, irrespective of whether the non-resident is a private individual or corporate shareholder. For shareholders who are residents of Denmark, the withholding tax will generally apply to individuals, while dividends paid to companies are generally subject to corporate tax at a current rate of 22%. Additionally, while shareholders resident in countries where Denmark has entered into a tax treaty may be eligible to seek a partial refund of the tax withheld, it will be incumbent on the shareholder to seek any such refund and the Company makes no representations regarding the ability of shareholders to successfully apply for such refund(s). See "Item 10. Additional Information—E. Taxation—Danish Tax Considerations" for more information.

Exchange rate fluctuations or abandonment of the Euro currency may materially affect our results of operations and financial condition.

Due to the international scope of our operations and the fact that a substantial majority of our cash is currently denominated in Euros, fluctuations in exchange rates, particularly between the Danish Kroner, British Pound and the U.S. Dollar, may adversely affect us. Although we are based in Denmark, we have sourced research and development, manufacturing, consulting and other services

from several countries. We have also invested in bonds issued by the governments of Germany, the United Kingdom and the U.S. Further, potential future revenue may be derived from abroad, particularly from the U.S. As a result, our business may be affected by fluctuations in foreign exchange rates between the Danish Kroner, the U.S. Dollar, British Pound, the Euro or other currencies, which may also have a significant impact on our reported results of operations and cash flows from period to period. For example, in the years ended December 31, 2016 and 2015, we benefited from unrealized foreign exchange gains of $598,000 and $11.9 million respectively. In the future, we could experience a foreign exchange loss of equal or greater size. Currently, we do not have any exchange rate hedging arrangements in place and do not currently have plans to implement any hedging arrangements.

In addition, the possible abandonment of the Euro by one or more members of the EU could materially affect our business in the future. Despite measures taken by the EU to provide funding to certain EU member states in financial difficulties and by a number of European countries to stabilize their economies and reduce their debt burdens, it is possible that the Euro could be abandoned in the future as a currency by countries that have adopted its use. This could lead to the re-introduction of individual currencies in one or more EU member states, or in more extreme circumstances, the dissolution of the EU. The effects on our business of a potential dissolution of the EU, the exit of one or more EU member states from the EU or the abandonment of the Euro as a currency are impossible to predict with certainty, and any such events could have a material adverse effect on our business, financial condition and results of operations.

Developments relating to Biogen, Tecfidera®, our competitors or their products could materially and adversely affect our business, results of operations, business prospects and the market price of our ADSs.

In the event that our competitors or others in the pharmaceutical industry, including Biogen, experience developments relating to their business, products or product candidates, our business, results of operations, business prospects and the market price of our ADSs could suffer. In particular, if we are eligible to receive royalties on sales of Tecfidera®, our future success will depend on the continued market acceptance of Tecfidera® and adverse events, or the perception of adverse events, relating to Biogen or Tecfidera® would have material adverse effects on us. For example, on July 24, 2015, Biogen announced that it was revising its previous annual financial guidance for 2015 with respect to its expected revenue growth in 2015 compared to 2014 from a range of 14%-16% to a range of 6%-8%, based largely on revised expectations for the growth of Tecfidera®, including moderated patient growth in the U.S. market, lower-than-anticipated reimbursement rates in Europe and lower pricing in Germany. The day of Biogen's announcement, the price of our ADSs dropped by approximately 18%. As a result of entering into the License Agreement, we expect that the market price of our ADSs will become more significantly affected by announcements made by Biogen, over which we have no control. Additionally, at least four confirmed cases of PML have been reported in patients being treated with Tecfidera®, which could raise safety concerns and harm the market profile of DMF-containing treatments for MS, including Tecfidera® or another DMF Formulation that Biogen, the Company or any assignee of our U.S. co-exclusive license rights may develop. Similarly, developments relating to other competitors of Biogen and their products could have significant adverse effects on our business prospects and the market price of our ADSs. For example, competitors may offer their products at reduced prices or with discounts or rebates that increase pricing pressure with respect to therapies for the treatment of MS.

Related party transactions may be challenged by tax authorities.

The jurisdictions in which we conduct or will conduct business, and in particular Denmark, Germany and the U.S., have detailed transfer pricing rules which require that all transactions with related parties be priced using arm's length pricing principles. Contemporaneous documentation must exist to support this pricing. The taxation authorities in these jurisdictions could challenge our arm's

length related-party transfer pricing policies. For example, Forward Pharma GmbH and Forward Pharma A/S recently terminated their internal license agreement and agreed that Forward Pharma GmbH shall be paid an arm's length compensation for said termination. The German and/or Danish tax authorities could impose additional tax on either entity if they determine that the amount that is paid by Forward Pharma A/S to Forward Pharma GmbH does not satisfy transfer pricing rules. International transfer pricing is an area of taxation that depends heavily on the underlying facts and circumstances and generally involves a significant degree of judgment. Although we believe that our related-party transactions satisfy the substantive requirements of these transfer pricing rules, if any of these taxation authorities are successful in challenging our transfer pricing policies, our income tax expense may be adversely affected and we also could be subjected to interest and penalty charges. Any increase in our income tax expense and related interest and penalties could have a significant negative impact on our future earnings and future cash flows.

If we fail to retain accounting and financial staff with appropriate experience, our ability to maintain the financial controls required of a public company may be adversely affected.

We currently rely on employed and third-party accounting professionals to assist us with our financial accounting and compliance obligations. If we are unable to retain financial professionals with appropriate experience to maintain our financial control and reporting obligations as a public company, our business may be adversely impacted.

Risks Related to Our Ordinary Shares and ADSs

Holders of our ADSs have different rights than holders of our ordinary shares.

We have issued to our security holders ADSs and ordinary shares, each of which affords their holders different rights. Currently, only our ADSs are publicly traded (on NASDAQ). An ADS holder will not be treated as one of our shareholders and will not have shareholder rights. Danish law governs shareholder rights. Our depositary, Bank of New York Mellon, is the holder of the ordinary shares underlying outstanding ADSs. Holders of ADSs only have ADS holder rights. The deposit agreement among us, the depositary and ADS holders sets out ADS holder rights as well as the rights and obligations of the depositary.

The market price of the ADSs may be volatile and may fluctuate due to factors beyond our control.

The price of equity securities of publicly traded emerging biopharmaceutical and drug discovery and development companies has been highly volatile and is likely to remain highly volatile in the future. The market price of the ADSs may fluctuate significantly due to a variety of factors, including:

- developments concerning proprietary rights, including patents and litigation matters;
- developments concerning if and when termination or expiration of the required waiting period under the HSR Act occurs under our License Agreement with Biogen;
- whether or not Biogen obtains an exclusive license in the U.S., and any developments that could make such an election more or less likely;
- delays in entering into strategic relationships with respect to development and/or commercialization of a DMF Formulation under our U.S. co-exclusive license rights or entry into strategic relationships on terms that are not deemed to be favorable to us;
- technological innovations or commercial product introductions by our competitors;
- changes in government regulations;
- public concern relating to the commercial value or safety of FP187, Tecfidera® or other DMF-containing products;

- financing or other corporate transactions;
- publication of research reports or comments by securities or industry analysts;
- general market conditions in the pharmaceutical industry or in the economy as a whole; or
- other events and factors beyond our control.

In addition, the stock market in general has recently experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of individual companies. Broad market and industry factors may materially affect the market price of companies' equity securities, including ours, regardless of actual operating performance.

Our principal shareholders currently own, in the aggregate, approximately 73% of our ordinary shares. They are therefore able to exert significant control over matters submitted to our shareholders for approval.

Our shareholders who own more than 5% of our outstanding shares (excluding our depositary, Bank of New York Mellon) beneficially own approximately 73% of our ordinary shares. These shareholders are able to significantly influence or even unilaterally approve matters requiring approval by our shareholders, including the election of directors, certain decisions relating to our capital structure, amendments to our Articles of Association, and the approval of mergers or other business combination transactions. The interests of these shareholders may not always coincide with our interests or the interests of our other shareholders or holders of the ADSs.

There may be a lack of liquidity and market for our ordinary shares and ADSs.

A lack of liquidity in the markets may develop for our ADSs, which would negatively affect the ability of the holders to sell our ADSs or the price at which holders of our ADSs will be able to sell them. Future trading prices of our ADSs will depend on many factors including, among other things, prevailing interest rates, our operating results and the market for similar securities.

Our ordinary shares underlying the ADSs are not listed on any public securities exchange. Future sales by our existing shareholders could limit the ability of an ADS holder to sell the ADSs at the price and time such holder desires. Any such limited trading market may also increase the price volatility of the ADSs or the ordinary shares underlying the ADSs.

Our ordinary shares are controlled by insiders, who could have significant influence over the outcome of corporate actions requiring board and shareholder approval.

Our Chairman, Florian Schönharting, beneficially owns shares comprising approximately 55% of our voting power. With such concentrated control, Mr. Schönharting has influence over the outcome of corporate actions requiring board and shareholder approval, including the election of directors and any other significant corporate action or transaction. As a result, other shareholders and holders of the ADSs may have no effective voice in the management of our company.

Certain of our principal shareholders as well as NB FP Investment II K/S have entered into a shareholders' agreement under which they have agreed to take certain actions that may be adverse to the interests of other shareholders and holders of ADSs.

Certain of our principal shareholders as well as NB FP Investment II K/S have entered into a shareholders' agreement, under which they have agreed to take certain actions, including with respect to the ability of certain principal shareholders to nominate directors to the board of directors and the obligation to increase share capital in certain circumstances. The shareholders that are party to the shareholders' agreement control a majority of the voting power of our ordinary shares, and the actions taken under or pursuant to the shareholders' agreement may conflict with the interests of other shareholders and holders of ADSs.

ADS holders may not be able to exercise their right to vote the ordinary shares underlying the ADSs.

Holders of ADSs may exercise voting rights with respect to the ordinary shares represented by the ADSs only in accordance with the provisions of the deposit agreement and not as a direct shareholder in the Company. The deposit agreement provides that, upon receipt of notice of any meeting of holders of our ordinary shares, the depositary will fix a record date for the determination of ADS holders who shall be entitled to give instructions for the exercise of voting rights. Upon timely receipt of notice from us, if we so request, the depositary shall distribute to the holders as of the record date (1) the notice of the meeting or solicitation of consent or proxy sent by us and (2) a statement as to the manner in which instructions may be given by the holders. However, we may not request the depositary to distribute this information, which could effectively limit the ability of ADS holders to direct the voting of the ordinary shares underlying their ADSs.

ADS holders may instruct the depositary of their ADSs to vote the ordinary shares underlying their ADSs. Otherwise, ADS holders will not be able to exercise their right to vote, unless they withdraw the ordinary shares underlying the ADSs. However, ADS holders may not know about the meeting far enough in advance to withdraw those ordinary shares. If we ask for ADS holders' instructions, the depositary, upon timely notice from us, will notify ADS holders of the upcoming vote and arrange to deliver our voting materials to ADS holders. We cannot guarantee ADS holders that they will receive the voting materials in time to ensure that they can instruct the depositary to vote the ordinary shares underlying the ADSs held by them or to withdraw the ordinary shares underlying the ADSs so that the ADS holder can vote them. If the depositary does not receive timely voting instructions from the ADS holder, it may give a proxy to a person designated by us to vote the ordinary shares underlying the ADSs. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that ADS holders may not be able to exercise any right to vote, and there may be nothing ADS holders can do if the ordinary shares underlying their ADSs are not voted as requested.

ADS holders' rights to participate in any future preferential subscription rights or to elect to receive dividends in shares may be limited, which may cause dilution to their holdings.

According to Danish law, if we issue additional securities for cash, current shareholders will have preferential subscription rights for these securities on a pro rata basis unless (i) they waive those rights at a meeting of our shareholders (if issued at market value, by at least two-thirds of the votes cast and the share capital represented at such meeting), (ii) such rights are waived individually by each shareholder, or (iii) the additional securities are issued pursuant to an authorization granted to our board of directors including a waiver of preemptive rights. However, our ADS holders in the United States will not be entitled to exercise or sell such rights related to the ordinary shares which they represent unless we register the rights and the securities to which the rights relate under the Securities Act of 1933, as amended, or the Securities Act, or an exemption from the registration requirements is available. In addition, the deposit agreement provides that the depositary will not make rights available to our ADS holders unless the distribution to ADS holders of both the rights and any related securities are either registered under the Securities Act or exempted from registration under the Securities Act. Further, if we offer holders of our ordinary shares the option to receive dividends in either cash or shares, under the deposit agreement the depositary may require satisfactory assurances from us that extending the offer to holders of ADSs does not require registration of any securities under the Securities Act before making the option available to holders of ADSs. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. Accordingly, ADS holders may be unable to participate in our rights offerings or to elect to receive dividends in shares and may experience dilution in their holdings. In addition, if the depositary is unable to sell rights that are not exercised or not distributed

or if the sale is not lawful or reasonably practicable, it will allow the rights to lapse, in which case our ADS holders will receive no value for these rights.

ADS holders may be subject to limitations on the transfer of their ADSs and the withdrawal of the underlying ordinary shares.

ADSs, which may be evidenced by American Depositary Receipts, or ADRs, are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary think it is advisable to do so because of any requirement of law, government or governmental body, or under any provision of the deposit agreement, or for any other reason subject to each ADS holder's right to cancel such holder's ADSs and withdraw the underlying ordinary shares. Temporary delays in the cancellation of ADSs and withdrawal of the underlying ordinary shares may arise because the depositary has closed its transfer books or we have closed our transfer books, the transfer of ordinary shares is blocked to permit voting at a shareholders' meeting or we are paying a dividend on our ordinary shares. In addition, ADS holders may not be able to cancel their ADSs and withdraw the underlying ordinary shares when they owe money for fees, taxes and similar charges and when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities.

Future sales, or the perception of future sales, of a substantial number of our ordinary shares or ADSs could adversely affect the price of the ADSs, and actual sales of our equity will dilute shareholders and ADS holders.

Future sales of a substantial number of our ordinary shares or ADSs, or the perception that such sales will occur, could cause a decline in the market price of the ADSs. If shareholders sell substantial amounts of shares or ADSs in the public market, or the market perceives that such sales may occur, the market price of the ADSs and our ability to raise capital through an issue of equity securities in the future could be adversely affected. We have entered into a registration rights agreement pursuant to which we have agreed under certain circumstances to file a registration statement to register the resale of the shares held by certain of our existing shareholders, as well as to cooperate in certain public offerings of such shares. In addition, we have registered ordinary shares and ADSs that we may issue under our 2014 Omnibus Equity Incentive Plan and may register shares under other equity compensation plans. As a result, these ordinary shares can be freely sold in the public market or otherwise upon issuance, subject to volume limitations applicable to affiliates and lock-up agreements.

We are currently evaluating the different means to deliver to our shareholders a substantial portion of the $1.25 billion payment that we received from Biogen, but have made no decision to do so and may not do so.

We have not paid any dividends since our incorporation and may not do so in the future. Our management is currently evaluating different means to deliver to our shareholders an undetermined amount of capital, however we have made no decision to do so and may not do so. Should we decide to do so, such return of capital may involve dividends, distributions, share repurchases or other means. The final determination as to any return of capital will be at the discretion of our board of directors, after taking into account various factors including our business prospects, cash requirements, outcome of the Interference and Opposition Proceedings and our obligations under the License Agreement. Alternatively, the board may consider other options for maximizing shareholder value, which options may include further product development, licensing arrangements, acquisitions, dispositions or other strategic transactions. In addition, should the board determine that it wishes to return capital via a dividend paid in respect of shares, payment of such a dividend may be made only if our shareholders'

equity exceeds the sum of our paid-in and called-up share capital plus the reserves required to be maintained by Danish law or by our Articles of Association. Accordingly, investors cannot rely on dividend income or other distributions and any returns on an investment in the ADSs could depend entirely upon any future appreciation in the price of the ADSs.

We are an emerging growth company, and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our ordinary shares less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act, or the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We may take advantage of these exemptions until we are no longer an emerging growth company. As a result of our receipt of the Non-Refundable Fee of $1.25 billion under the License Agreement, our gross annual revenue for 2017 will exceed $1.0 billion and accordingly, we will cease to be an emerging growth company on December 31, 2017. We cannot predict if investors will find the ADSs less attractive because we have relied on these exemptions and will continue to do so until the end of the current fiscal year. If some investors find the ADSs less attractive as a result, there may be a less active trading market for the ADSs and the price of the ADSs may be more volatile.

We are a foreign private issuer and, as a result, we will not be subject to U.S. proxy rules and will be subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. domestic public company.

We will report under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as a non-U.S. company with foreign private issuer status. Because we qualify as a foreign private issuer under the Exchange Act and although we currently furnish quarterly financial information to the SEC, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including (i) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act; (ii) the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and (iii) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events. Although we have previously filed financial results on a quarterly basis, consistent with our plan to reduce expenses, we intend to file future financial results semi-annually. In addition, foreign private issuers are not required to file their annual report on Form 20-F until 120 days after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year. Foreign private issuers are also exempt from Regulation Fair Disclosure, aimed at preventing issuers from making selective disclosures of material information. As a result of the above, our shareholders and ADS holders may not have the same protections afforded to shareholders of companies that are not foreign private issuers.

We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses.

The determination of foreign private issuer status is made annually on the last business day of an issuer's most recently completed second fiscal quarter. Accordingly, we will next make a determination

with respect to our foreign private issuer status on June 30, 2017. There is a risk that we will lose our foreign private issuer status in the future.

We would lose our foreign private issuer status if, for example, more than 50% of our assets are located in the U.S. and we continue to fail to meet additional requirements necessary to maintain our foreign private issuer status. As of December 31, 2016, approximately $1 million of our assets were located in the U.S., although this may change if we expand our operations in the U.S. The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic issuer may be significantly greater than the costs we incur as a foreign private issuer. If we are not a foreign private issuer, we will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive in certain respects than the forms available to a foreign private issuer. We would be required under current SEC rules to prepare our financial statements in accordance with U.S. GAAP and modify certain of our policies to comply with corporate governance practices associated with U.S. domestic issuers. Such conversion and modifications would involve additional costs. In addition, we may lose our ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers, which could also increase our costs.

If we fail to establish and maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, shareholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of the ADSs.

Effective internal control over financial reporting is necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, is designed to detect and/or prevent errors and fraud. Any failure to maintain current controls or implement, on a timely basis, new or improved controls, or difficulties encountered in their implementation, could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act of 2002, or work performed by our independent registered accounting firm as part their audit of our financial statements may reveal deficiencies in our internal control over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of the ADSs.

We are required to disclose changes made in our internal control over financial reporting and procedures and our management is required to assess the effectiveness of these controls annually. As a result of the expected loss of our emerging growth company status under the JOBS Act, our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 beginning with our annual report for the fiscal year ended December 31, 2017. An independent assessment of the effectiveness of our internal control over financial reporting could detect problems that our management's assessment might not. Undetected material weaknesses in our internal control over financial reporting could lead to financial statement restatements and require us to incur the expense of remediation and could adversely affect the price of our ADSs.

Failure to comply with the Section 404 of the Sarbanes-Oxley Act could negatively affect our business including the price of our ADSs.

Under the Sarbanes-Oxley Act we are required to maintain effective disclosure controls and procedures and internal control over financial reporting and to make a formal assessment of the effectiveness of our internal control over financial reporting. While we have concluded that our disclosure controls and procedures and internal controls over financial reporting were effective as of

December 31, 2016, there is no assurance that we will be able to maintain adequate disclosure controls and procedures and internal controls in the future. We may experience situations in the future where our evaluation and testing processes required by Section 404 of the Sarbanes-Oxley Act, or work performed by independent registered accountants, may identify one or more material weaknesses in our internal controls over financial reporting that will result in our inability to assert that our internal control over financial reporting is effective. If we cannot maintain adequate internal controls over financial reporting that provide reasonable assurance of the reliability of the financial reporting and preparation of our financial statements for external use, we could suffer harm to our reputation, fail to meet our public reporting requirements by providing timely and accurate financial statements, be required to restate our prior period financial statements, or we may be unable to comply with applicable stock exchange listing requirements, any of which could adversely affect the price of our ADSs.

If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research about our business, the price of the ADSs and our trading volume could decline.

The trading market for the ADSs depends in part on the research and reports that securities or industry analysts publish about us or our business. In the event securities or industry analysts who cover us downgrade our ADSs or publish inaccurate or unfavorable research about our business, the price of our ADSs would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for the ADSs could decrease, which might cause the price of our ADSs and trading volume to decline.

We believe that we were classified as a passive foreign investment company, or a PFIC, from 2014 to 2016 and may be classified as a PFIC in future years. If we are a PFIC for any taxable year, this could result in adverse U.S. federal income tax consequences to U.S. Holders of our ADSs.

Under the U.S. Internal Revenue Code of 1986, as amended, or the Code, we will be a PFIC for any taxable year in which, after the application of certain "look-through" rules with respect to subsidiaries, either (i) 75% or more of our gross income consists of "passive income," or (ii) 50% or more of the average quarterly value of our assets consist of assets that produce, or are held for the production of, "passive income." Passive income generally includes interest, dividends, rents, certain non-active royalties and capital gains. We believe that we were a PFIC for each of the years ended December 31, 2016, 2015 and 2014, and may be classified as a PFIC in future years. Whether we will be a PFIC in any year depends on the composition of our income and assets, and the relative fair market value of our assets from time to time, which we expect may vary substantially over time. Because (i) we currently own a substantial amount of passive assets, including cash, and (ii) the value of our assets, including our intangible assets, that generate non-passive income for PFIC purposes, is uncertain and may vary substantially over time, it is uncertain whether we will be or will not be a PFIC in future years.

If we are a PFIC for any taxable year during which a U.S. Holder, as defined below, holds ADSs, a U.S. Holder may be subject to adverse tax consequences, including (i) if a mark-to-market election or a qualified electing fund, or QEF, election has not been made with respect to its ADSs, a U.S. Holder may incur significant additional U.S. federal income taxes on income resulting from distributions on, or any gain from the disposition of, such ADSs, as such income generally would be allocated over the U.S. Holder's holding period for its ADSs and would be subject to tax at the highest rates of U.S. federal income taxation in effect for such years, with an interest charge then imposed on the resulting taxes in respect of such income, and (ii) dividends paid by us would not be eligible for preferential individual rates of U.S. federal income tax. In addition, U.S. Holders that own an interest in a PFIC are required to comply with certain reporting requirements.

A U.S. Holder may in certain circumstances mitigate adverse tax consequences of the PFIC rules by filing an election to treat the PFIC as a QEF, or, if shares of the PFIC are "marketable stock" for purposes of the PFIC rules, by making a mark-to-market election with respect to the shares of the PFIC. However, we are not obligated to comply with the reporting requirements necessary to permit U.S. Holders to elect to treat us as a QEF and accordingly U.S. Holders may not be able to make QEF elections to avoid the adverse tax consequences of the PFIC rules. Furthermore, if a U.S. Holder were able to make a mark-to-market election with respect to its ADSs, the U.S. Holder would be required to include annually in its U.S. federal taxable income an amount reflecting any year end increase in the value of its ADSs (which may not be matched by cash distributions). Mark-to-market elections will not be available for any of our subsidiaries that are also PFICs. To the extent that we do not distribute in 2017 substantially all of the proceeds of the Non-refundable Fee, U.S. Holders may have adverse tax consequences if we are deemed to be a PFIC in that year. For further discussion of the adverse U.S. federal income tax consequences of our classification as a PFIC, see "Item 10. Additional Information—Taxation—U.S. Federal Income Tax Considerations for U.S. Holders."

Risks Related to Danish Law and Our Operations in Denmark

Preemptive rights may not be available to non-Danish shareholders, and any inability of non-Danish shareholders to exercise preemptive rights in respect of shares issued in any offering by us will cause their proportionate interests to be diluted.

Under Danish law, existing shareholders will have preemptive rights to participate on the basis of their existing share ownership in the issuance of any new shares for cash consideration, unless those rights are waived by a resolution of the shareholders or the shares are issued pursuant to an authorization granted to the board of directors including a waiver of preemptive rights. The preemptive rights of the shareholders may be waived by two-thirds of the votes cast and of the share capital represented at the general meeting if the share capital increase is made at market price, or, if the share capital increase is made at below market price, by nine-tenths of the votes cast and of the share capital represented at the general meeting. Certain non-Danish shareholders may not be able to exercise preemptive rights for their shares due to restrictions included in securities laws of certain countries, including those applicable in the U.S. To the extent that shareholders are not able to exercise their preemptive rights in respect of the shares in any offering by us, such shareholders' proportional interests will be diluted.

We are a Danish company with limited liability. The rights of our shareholders may be different from the rights of shareholders in companies governed by the laws of U.S. jurisdictions.

We are a Danish company with limited liability. Our corporate affairs are governed by our Articles of Association and by the laws governing companies incorporated in Denmark. The rights of shareholders and the responsibilities of members of our board of directors may be different from the rights and obligations of shareholders and boards of directors in companies governed by the laws of U.S. jurisdictions. In the performance of its duties, our board is required by Danish law to consider the interests of our Company, its shareholders, its employees and other stakeholders, in all cases with due observation of the principles of reasonableness and fairness. It is possible that some of these parties will have interests that are different from, or in addition to, the interests of our shareholders.

We are, as a foreign private issuer, not obligated to and do not comply with all the corporate governance requirements of NASDAQ. This may affect the rights of our shareholders.

We are a foreign private issuer for purposes of U.S. federal securities laws. As a result, in accordance with the listing requirements of NASDAQ, we rely on home country governance requirements and certain exemptions thereunder rather than relying on the corporate governance

requirements of NASDAQ. In accordance with Danish law and generally accepted business practices, our Articles of Association do not provide quorum requirements generally applicable to general meetings of shareholders. To this extent, our practice varies from the requirement of NASDAQ Listing Rule 5620(c), which requires an issuer to provide in its bylaws for a generally applicable quorum, and that such quorum may not be less than one-third of the outstanding voting shares. Although we must provide shareholders with an agenda and other relevant documents in advance of a general meeting of shareholders, Danish law does not have an applicable regulatory regime for the solicitation of proxies, and thus our practice will vary from the requirement of NASDAQ Listing Rule 5620(b). Accordingly, our shareholders may not have the same protections afforded to shareholders of companies that are subject to these NASDAQ requirements.

As a Danish company we must comply with the Danish Companies Act, or DCA. The DCA contains binding provisions for the board of directors, shareholders and general meetings of shareholders; and financial reporting, auditors, disclosure, compliance and enforcement standards. Certain provisions apply to our board of directors (e.g., in relation to role, composition, conflicts of interest and independency requirements and remuneration), shareholders and the general meeting of shareholders (e.g., regarding our obligations to provide information to our shareholders). Further, certain sections of the DCA only apply to Danish companies listed on a regulated market with the European Economic Area, or EEA, and accordingly do not apply to us. This may affect the rights of our shareholders.

We have historically filed our Danish tax returns on a standalone basis; however, due to certain changes to our ownership structure made at the start of 2013, as of January 2013, we began to file our Danish tax returns as part of a joint taxation scheme.

During the period January 19, 2013 to December 31, 2015, we have been subject to a Danish joint taxation scheme with Tech Growth Invest ApS and entities under Tech Growth Invest ApS' control, collectively referred to hereafter as Tech Growth. Since our establishment of Forward Pharma FA ApS, a wholly owned subsidiary of Forward Pharma A/S, on December 3, 2015, Forward Pharma FA ApS has also been part of the joint taxation scheme. As of December 31, 2015, certain entities have ceased to be part of the joint taxation scheme to the effect that, as of January 1, 2016, the companies included in the joint taxation with Forward Pharma A/S are Forward Pharma FA ApS and NB FP Investment General Partner ApS. The latter being the new administration company of the joint taxation scheme after Tech Growth Invest ApS has ceased to be part thereof.

All members of a Danish tax group are jointly and severally liable for the group's Danish tax liabilities. However, Danish law requires taxing authorities to look primarily to the administration company and its wholly owned entities to satisfy Danish tax liabilities and to look to partially owned entities (such as us) only on a secondary basis. While we do not believe Tech Growth, NB FP Investment General Partner ApS or any other member of the joint taxation scheme has any material Danish tax liabilities, there can be no assurance that it does not have any such material liabilities, that it will not incur such material liabilities in the future, or that it will fulfill any such obligations. If Tech Growth Invest ApS, NB FP Investment General Partner ApS or any other entity that is a member of the joint taxation group has any material Danish tax liabilities that are not satisfied by them or if they, while being members of the joint taxation group, incur any such liabilities in the future, we may be responsible for the payment of such taxes, which could have an adverse effect on our results of operations.

U.S. federal and/or state income tax may apply to us in the future.

We have taken the position that we are not currently subject to U.S. federal or state income tax. Our Chief Financial Officer, Joel Sendek, is employed by both Forward Pharma A/S and our wholly owned U.S. subsidiary, Forward Pharma USA, LLC, and our Vice President, Finance and Controller, Thomas Carbone, is employed by Forward Pharma USA, LLC. Pursuant to the U.S. tax laws and the income tax treaty between Denmark and the U.S., we will not be subject to U.S. tax in connection with any of such employees' activities unless there is a U.S. trade or business being conducted in connection with a permanent establishment. While we have taken the position that the functions such employees fulfill do not give rise to U.S. tax liability for us, there can be no assurance that the U.S. tax authorities will agree with such position. If the U.S. Internal Revenue Service disagrees with our position, and/or if the functions of such employees are expanded in the future, and/or we engage additional personnel located in the U.S. whose functions are sufficiently broad, we may be or may become subject to U.S. federal and/or state income tax, which might have a material adverse effect on us and our results of operations.

Claims of U.S. civil liabilities may not be enforceable against us.

Forward Pharma A/S is incorporated under the laws of Denmark, and its two wholly owned subsidiaries, Forward Pharma GmbH and Forward Pharma FA ApS, are incorporated under the laws of Germany and Denmark, respectively. Substantially all of our assets are located outside the U.S. On a combined basis, the majority of our directors and officers reside outside the U.S. As a result, it may not be possible for investors to effect service of process within the U.S. upon such persons or to enforce judgments against them or us in U.S. courts, including judgments predicated upon the civil liability provisions of the federal securities laws of the U.S.

The U.S. does not have a treaty with Denmark or Germany providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Accordingly, a final judgment for the payment of money rendered by a U.S. court based on civil liability will not be directly enforceable in Denmark or Germany. However, if the party in whose favor such final judgment is rendered brings a new lawsuit in a competent court in Denmark, that party may submit to the Danish court the final judgment that has been rendered in the U.S. A judgment by a federal or state court in the U.S. will neither be recognized nor enforced by a Danish court but such judgment may serve as evidence in a similar action in such court. In addition, the final judgment of a U.S. court may be recognized and enforced in Germany in compliance with certain requirements including petitioning a German court to enforce such judgment.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Forward Pharma A/S is a Danish biopharmaceutical company that until recently was actively developing FP187, a proprietary formulation of DMF, for the treatment of several inflammatory and neurological indications, including MS. DMF is an immunomodulator that can be used as a therapeutic to improve the health of patients with immune disorders, including MS.

On February 1, 2017, our License Agreement with Biogen became effective. Pursuant to the License Agreement, Biogen paid us a non-refundable cash fee of $1.25 billion. The License Agreement provides Biogen with a co-exclusive license in the U.S. (which will be converted into an exclusive license if certain conditions are met within the time period set forth in the License Agreement), and an exclusive license outside the U.S., to the Company's intellectual property. For more, see "—B. Business Overview—Our Company—Settlement and License Agreement."

We are a Danish public limited liability company founded in 2005. Our principal executive offices are located at Østergade 24A, 1st Floor, 1100 Copenhagen K, Denmark. Our telephone number at this address is +45 33 44 42 42.

In 2004, Aditech, controlled by Nordic Biotech General Partner ApS (an affiliate of one of our largest shareholders), assessed the potential for DMF to become a significant global product. Aditech specifically focused on the development of an improved DMF Formulation, with the goal of simplifying the product compared to then-existing DMF-containing treatments and limiting the side effects typically associated with such treatments.

We were founded for the purpose of developing such an improved DMF Formulation while protecting, defending and enforcing a patent family Aditech filed relating to, among other things, formulations and dosing regimens of DMF. In 2010, we acquired this patent family from Aditech. Under our agreement with Aditech, we obtained, among other things, Aditech's patents and associated know-how related to formulations and dosing regimens of DMF. For more, see "Material Agreements—Aditech Agreement."

We have not made any significant capital expenditures or divestures during the last three financial years, and do not have any significant capital expenditures or divestitures currently in progress.

B. Business Overview

Our Company

We have focused on DMF's potential as an immunomodulating drug to improve the health of patients with immune disorders for over 10 years, during which time we have assembled and continue to develop our intellectual property portfolio. Our proprietary DMF Formulation is FP187. As a result of entering into the License Agreement, our development of a DMF Formulation is currently limited to finishing the research and development work that was in process prior to the effective date of the License Agreement. However, under certain circumstances described in more detail below, the Company may decide to reinitiate clinical development of FP187, or initiate the development of another DMF Formulation. We are currently undergoing an organizational realignment to reduce operating expenses to maximize shareholder value.

Settlement and License Agreement with Biogen

On February 1, 2017, our License Agreement with Biogen and certain additional parties became effective. The License Agreement provides Biogen with a co-exclusive license in the U.S., and an exclusive license outside the U.S., to the Company's intellectual property, effective as of February 9, 2017. Biogen also is required, if certain conditions are met within the time period set forth in the License Agreement, including the termination or expiration of any required waiting period under the HSR Act, to obtain an exclusive license to the Company's intellectual property in the U.S.

In accordance with the License Agreement, Biogen paid the Company the Non-refundable Fee of $1.25 billion and could be obligated to pay the Company royalties in the future subject to the outcome of certain matters discussed below.

The License Agreement does not resolve the Interference Proceeding or the Opposition Proceeding. The Company and Biogen intend to permit the PTAB and the Federal Circuit, as applicable, and the EPO, and the Technical Board of Appeal and the Enlarged Board of Appeal, as applicable, to make final determinations in the proceedings before them. If the Company is successful in the Interference Proceeding and/or the Opposition Proceeding, as further explained below, it will be eligible to receive royalties starting as early as 2021 based on Biogen's net sales of DMF-containing products indicated for treating MS as defined in the License Agreement, provided that other conditions of the License Agreement are satisfied within the time period set forth in the License Agreement.

If the Company is successful in the Interference Proceeding (i.e., the Company obtains, as a result of the Interference Proceeding and any appeals therefrom to the Federal Circuit (including *en banc* review), a patent with a claim covering oral treatment of MS with 480 mg per day of DMF), and if Biogen obtains an exclusive license in the U.S., the Company would be eligible beginning on January 1, 2021 to collect a 10% royalty (increasing to 20% from January 1, 2029) until the earlier of the expiration or invalidation of the patents defined in the License Agreement, on Biogen's net sales in the U.S. of DMF-containing products indicated for treating MS that, but for the rights granted under the License Agreement, would infringe a Company patent, provided that other conditions of the License Agreement are satisfied. Among the conditions that needs to be satisfied for any royalty to be payable by Biogen to the Company is the absence of generic entry having a particular impact as defined in the License Agreement. If Biogen obtains an exclusive license in the U.S., we would likely permanently discontinue development of a DMF Formulation.

If the Company is successful in the Interference Proceeding, but certain conditions are not met in the U.S., including if restraints are placed on Biogen as a result of the process under the HSR Act, and if Biogen does not obtain an exclusive license, the Company could reinitiate the development of a DMF Formulation for sale in the U.S. under a co-exclusive license with Biogen, which the Company may assign, on one occasion only, to a single third party. Under the co-exclusive license, the Company would be eligible beginning on January 1, 2023 to collect royalties of 1% on Biogen's net sales in the U.S. of DMF-containing products indicated for treating MS that, but for the rights granted under the License Agreement, would infringe a Company patent, provided that other conditions of the License Agreement are satisfied. Among the conditions that needs to be satisfied for any royalty to be payable by Biogen to the Company is the absence of generic entry having a particular impact as defined in the License Agreement. If the Company is unsuccessful in the Interference Proceeding after any appeals, the Company would not be entitled to future royalties on Biogen's net sales in the U.S.

If the Company is successful in the Opposition Proceeding (i.e., the Company obtains, as a result of the Opposition Proceeding, and any appeals therefrom, a patent with a claim covering oral treatment of MS with 480 mg per day of DMF), it would be eligible beginning on January 1, 2021 to collect a 10% royalty (increasing to 20% from January 1, 2029) until the earlier of the expiration or invalidation of the patents defined in the License Agreement, on a country-by-country basis on Biogen's net sales outside the U.S. of DMF-containing products indicated for treating MS that, but for the rights granted under the License Agreement, would infringe a Company patent, provided that other conditions of the License Agreement are satisfied. Among the conditions that needs to be satisfied for any royalty to be payable by Biogen to the Company is the absence of generic entry in a particular country having a particular impact as defined in the License Agreement. If the Company is unsuccessful in the Opposition Proceeding, the Company would not be entitled to future royalties on Biogen's net sales outside the U.S.

Under the terms of the License Agreement, the Company has also agreed to use its commercially reasonable efforts to effect a corporate restructuring.

Subject to confirmations from the Danish tax authority, or SKAT, and the Danish Business Authority that the following transactions would be tax-exempt and permissible under Danish law, the Company will effect a multistep reorganization that would result in the following (in order of occurrence):

- Transfer of all of the Company's assets and liabilities to a newly created, wholly owned subsidiary of the Company (organized as a Danish limited liability company) in the form of a tax-exempt business contribution, less any cash in excess of the amount necessary for funding operations of the newly created subsidiary;

- Demerger of the newly created subsidiary into two Danish limited liability companies, the first of which, or Sub 1, would hold all rights to the Company's intellectual property and be responsible

for the protection and maintenance of the Company's U.S. intellectual property and EP'355 patent, and the second of which, or Sub 2, will hold all other assets and liabilities of the Company (including payment rights under the License Agreement and the liability to fund the protection and maintenance of the U.S. intellectual property and EP'355 to the extent set forth in the License Agreement);

- Sale by the Company of all issued and outstanding shares of Sub 1 at fair market value (as determined by a valuation report prepared by an auditor mutually selected by the Company and Biogen) to a foundation created by the Company, which foundation would become the indirect holder of Sub 1 (through a newly created, wholly owned subsidiary of the foundation). The foundation would be organized to qualify for benefits under the U.S.-Danish income tax treaty and its board would consist of five directors, three of whom would be independent directors mutually selected by the Company and Biogen, with the Company and Biogen each having the right to select one non-independent director. All foundation actions would require unanimous approval of the foundation's board.

In addition, following the restructuring, in the event Sub 1 materially breaches its obligations under the License Agreement, Biogen has a right to purchase all of the issued and outstanding shares of Sub 1 at a price corresponding to the intrinsic value of Sub 1 based on the most recent annual report for Sub 1 at the time of exercise. In addition, Biogen shall be granted a pledge of all of the issued and outstanding shares of Sub 1 in favor of Biogen as security for fulfilment of the purchase right.

If Danish tax and business authorities do not approve the restructuring or determine that it is not tax-exempt, the Company will, at Biogen's election, create a wholly owned subsidiary of the Company as a Danish partnership limited by shares, or a P/S Sub, that would be structured in a manner that would enable payments to the P/S Sub to qualify for benefits under the U.S.-Danish income tax treaty. The Company would contribute its intellectual property to the P/S Sub by way of a tax-exempt business contribution and would grant Biogen a pledge in all issued and outstanding shares of the P/S Sub to secure Biogen's rights under the License Agreement. Additionally, if prior to the sale of Sub 1 to the foundation, the Company and Biogen are informed (i) by the Danish tax authorities that either of the steps preceding such sale (as summarized above) will not be approved as tax-exempt or will be only be approved as tax-exempt subject to the satisfaction of certain conditions, or (ii) by the Danish business authority that such sale or the transactions contemplated to follow such sale (as summarized above) cannot be consummated, then such sale and transactions will be automatically abandoned (unless, in the case of (ii), where such sale and transactions will only be abandoned upon Biogen's election) and, in lieu of such sale and transactions, Biogen can elect to receive a pledge of all of the issued and outstanding shares in Sub 1 to secure Sub 1's obligations under the License Agreement, purchase 50% of the issued and outstanding shares in Sub 1 at fair market value (as determined by a valuation report prepared by an auditor mutually selected by the Company and Biogen) or require the Company to consummate the P/S Sub structure described in the first two sentences of this paragraph.

Key Intellectual Property Involved in Interference Proceeding

One of our key patent applications in the U.S. is the '871 application. The '871 application claims the use of 480 mg of DMF per day as a treatment for MS. On April 13, 2015, an administrative patent judge at the PTAB, declared an interference between our '871 application and Biogen's '514 patent, which has claims that also cover a method of treating MS using about a 480 mg daily dose of DMF. The administrative patent judge designated us as the senior party. Our anticipated appeal of the decision in the Interference Proceeding provides us with the opportunity to prove to the Federal Circuit that we were the first to invent the method of treating MS using about a 480 mg daily dose of DMF. Interference proceedings typically involve both a "motions" phase and a "priority" phase. However, in this Interference Proceeding these two phases have been combined. The oral argument for the Interference Proceeding took place on November 30, 2016. On March 31, 2017, the PTAB issued a

decision in the Interference Proceeding in favor of Biogen. The PTAB ruled that the claims of the '871 application are not patentable due to a lack of adequate written description. The Company intends to appeal the decision to the Federal Circuit. The appeal is expected to last 12 months or longer. If the Company prevails in this appeal, we expect the Federal Circuit to remand the case to the PTAB, in order for the PTAB to resolve both parties' other outstanding motions, including Biogen's priority motion. The oral argument for the IPR against Biogen's '514 patent, which was instituted in response to a request from the Coalition for Affordable Drugs (IPR No. 2015-01993), was also held on November 30, 2016. On March 21, 2017, the PTAB issued a decision in the IPR holding that the claims of Biogen's '514 patent are patentable. The Coalition for Affordable Drugs has the right to appeal this decision. There can be no assurance that the Interference Proceeding will ultimately result in judgment against Biogen and the cancellation of its patent claims. In addition, there can be no assurance that our '871 application will ever issue in a patent with a claim covering oral treatment of MS with 480 mg per day of DMF, which is one of the conditions required to be met for the Company to be eligible to receive future royalties on Biogen's net sales in the U.S.

Our Product Development Strategy

We believe our intellectual property portfolio, combined with the clinical data we have independently obtained and the discussions we have had with the FDA provide us with the opportunity to pursue the development of FP187 for the treatment of relapsing forms of MS in the U.S. We are finishing the research and development work that was in process prior to the effective date of the License Agreement and thereafter plan to suspend further development of FP187 pending the outcome of the Interference Proceeding, including any appeals to the Federal Circuit, until we determine if Biogen will maintain a co-exclusive license under the License Agreement. If Biogen maintains a co-exclusive license, we expect to either assign our co-exclusive license rights to a single third party or reinitiate clinical development of FP187, or initiate development of another DMF Formulation, in anticipation of a regulatory submission to the FDA. However, if Biogen prevails in the Interference Proceeding and IPR, after any appeals to the Federal Circuit, we may be prevented from commercializing our lead product candidate, FP187, for MS in the U.S. at a 480 mg per day dose.

Our Focus on Dimethyl Fumarate, or DMF

Oral drugs employing DMF as an API have been in use for over half a century. A German pharmacist discovered in the late 1950s that fumaric acid derivatives were useful for the treatment of psoriasis. Over the following years, various mixtures of fumaric acid derivatives, including DMF, were tested and used in different doses throughout Germany and, later, in other parts of Europe. Pharmacies in Germany often made their own compounded versions for the treatment of psoriasis.

In 1994, Fumapharm AG (acquired by Biogen in 2006) received approval in Germany to market Fumaderm®, which contains DMF and three ethyl fumarate salts, for the treatment of psoriasis. Fumaderm® has not been approved outside of Germany, but it is nonetheless available throughout Europe as a prescription drug sourced from German pharmacies. DMF is also the API found in Tecfidera®, which Biogen began selling for the treatment of relapsing forms of MS following approval by the FDA in March 2013 and approval for the treatment of relapsing remitting MS by the EC in January 2014. Biogen reported that Tecfidera®, which is marketed as an oral maintenance dose of 480 mg of DMF per day (240 mg twice daily), generated global revenue of approximately $4 billion for the year ended December 31, 2016. We estimate that there have been over 500,000 patient years of exposure to drugs containing DMF.

We have performed more than 40 pre-clinical studies since 2006, gathering data through animal testing (and in certain cases *in vitro* testing of DMF in cells) on FP187's pharmacological activity, toxicity profile, and on dosing level effects. Beginning in 2007, we commenced a set of Phase 1 clinical trials followed by a Phase 2 clinical trial to investigate, among other things, safety and dosing tolerability of FP187. We have successfully completed all of these clinical studies and gathered substantial positive safety and dosing data. Importantly, as of the date hereof, we have conducted no clinical trials involving patients with MS.

We have met with the FDA to discuss submission of a New Drug Application, or NDA, for FP187 to treat relapsing forms of MS, based on pre-clinical and clinical data we have and will have developed and independently own. We have no plans at this time to submit an NDA but we may re-engage with the FDA in the future should we retain co-exclusive license rights under the License Agreement as described above or determine in the future to develop other DMF-containing formulations and products, including generics, consistent with the terms of the License Agreement.

Our Intellectual Property Strategy

We believe our patents and patent applications related to, among other things, our proprietary formulation technology, combined with our patents and patent applications claiming dosing levels of DMF, are valuable assets. To the extent required or permitted by the License Agreement, we intend to protect, defend and/or enforce our intellectual property.

Our intellectual property includes patents and patent applications in the U.S., Europe and certain countries in Asia. We divide our intellectual property portfolio primarily into two patent families, which we refer to as our "Core Composition Patent" family and our "Erosion Matrix Patent" family.

Our Core Composition Patent family, based on international application PCT/DK2005/000648, filed on October 7, 2005, with priority to October 8, 2004, discloses, among other things, formulations and dosing regimens of DMF, including the use of a dose of 480 mg of DMF per day to treat MS.

Our Erosion Matrix Patent family, based on international application PCT/EP2010/050172, filed on January 8, 2010, with priority to January 9, 2009, covers our delayed and slow release formulations of DMF in FP187 as used in our set of Phase 1 clinical trials and a Phase 2 clinical trial.

The following table highlights key aspects of the current status of certain applications and patents within our Core Composition Patent and Erosion Matrix Patent families:

Patent / Application	Patent Family	Status
U.S. App. 11/576,871	Core Composition	Pending (contains claims directed to treatment of MS by administering a daily dose of 480 mg of DMF). A decision was issued by the PTAB on March 31, 2017 in favor of Biogen. We intend to appeal the decision to the Federal Circuit.
U.S. App. 14/213,399	Core Composition	Pending (contains claims directed to the use of delayed release formulations of DMF to treat MS according to an up-titration (i.e., increasing dose) regimen that reaches a total daily dose of 480 mg; claims are substantially similar to claims in U.S. App. 13/957,117, which was allowed by the USPTO but voluntarily abandoned by us).
U.S. App. 14/212,503	Core Composition	On appeal from final rejection (contains claims directed to a method of treating a MS subject with 480 mg of DMF per day, using delayed release formulations containing from 120 mg to 240 mg of DMF which, following administration, result in certain levels of monomethyl fumarate, or MMF, the main metabolite of DMF, in the bloodstream; claims are substantially similar to claims in U.S. App. 13/957,220, which was allowed by the USPTO but voluntarily abandoned by us).

Patent / Application	Patent Family	Status
U.S. App. 14/209,480	Core Composition	Pending (contains claims directed to pharmaceutical compositions comprising DMF in an amount of 50 - 90% by weight of the composition).
EP2801355	Core Composition	Granted (contains claims directed to the treatment of MS with 480 mg per day of DMF using pH-controlled compositions that have an enteric coating). Subject to several oppositions filed by third parties with the EPO. The first instance hearing of the Opposition Proceeding in the EPO has been scheduled for November 6 and 7, 2017.
EP1799196	Core Composition	Granted (contains claims directed to controlled release compositions that release DMF according to a specific *in vitro* release profile). Oppositions to this patent have been filed by third parties with the EPO.
EP2965751	Core Composition	Pending (contains claims directed to compositions containing DMF wherein the daily dosage is from 480 to 600 mg and the DMF is released depending on pH for the treatment of a number of diseases). The EPO has issued a search report to which we responded on July 13, 2016. A third party observation was filed on September 20, 2016, which we responded to on November 16, 2016. The EPO issued a negative office action on February 10, 2017, which we understand to be the result of a clerical error.
EP2801354	Core Composition	Granted (contains claims directed to the treatment of MS with 480 mg per day of DMF using a controlled-release composition with particular *in vitro* dissolution profiles). This patent may be opposed by third parties at the EPO at any time up to November 8, 2017.
EP2792349	Core Composition	Pending (contains claims directed to treatment of MS with 480 mg per day of DMF using controlled-release compositions). The EPO has issued a notice of intention to grant the patent.
EP2316430	Core Composition	Revoked by decision of July 10, 2015; under appeal to the EPO Board of Appeal.
EP3093012	Core Composition	Pending (contains claims directed to pharmaceutical compositions comprising DMF in an amount of 50 - 90% by weight of the composition).
JP2015-139809	Core Composition	Pending (contains claims directed to controlled release pharmaceutical compositions comprising one or more of DMF or MMF).
U.S. Patent No. 8,906,420	Erosion Matrix	Granted (contains claims directed to a pharmaceutical formulation in the form of an erosion matrix tablet having a particular composition).

Patent / Application	Patent Family	Status
EP2379063	Erosion Matrix	Granted (contains claims directed to matrix formulations with a thin enteric coating). Oppositions filed by third parties were rejected by the EPO in the first instance and the patent was maintained. A number of opponents have appealed, and the appeal is currently pending.
EP2564839	Erosion Matrix	Granted (contains claims directed to a pharmaceutical formulation in the form of an erosion matrix tablet having a particular composition). An opponent has filed a notice of opposition with the EPO.
JP 5788331	Erosion Matrix	Granted (contains claims directed to a pharmaceutical formulation in the form of an erosion matrix tablet having a particular composition).

Core Composition Patent Family

U.S. Intellectual Property

U.S. Patent Application No. 11/576,871. One of our key patent applications in the U.S. is the '871 application. The '871 application stems from the international application PCT/DK2005/000648 filed on October 7, 2005, and claims the benefit of an earlier-filed U.S. provisional application and four Danish applications. The '871 application claims the use of 480 mg of DMF per day as a treatment for MS.

On April 13, 2015, an administrative patent judge at the PTAB declared an Interference Proceeding between the '871 application and Biogen's '514 patent which has claims that also cover a method of treating MS, using about a 480 mg daily dose of DMF, and which expires in 2028.

An interference is an administrative proceeding at the USPTO to determine which party is the first to invent an invention claimed by two parties. The party with the earliest effective filing date to the common invention is designated "senior party" and is entitled to the presumption that it is the first inventor. Biogen, as the junior party in the Interference Proceeding, has the burden of proof to show a date of invention that predates our invention. During an interference, the parties can dispute the patentability of the other party's claims, challenge the senior party designation and present proof of prior invention. Interference proceedings typically involve both a "motions" phase and a "priority" phase. However, in this Interference Proceeding those two phases were combined.

At the outset of the Interference Proceeding, the administrative patent judge accorded the Company benefit of the filing date of our Danish Application No. PA 2004 01546, filed on October 8, 2004. Biogen filed a motion in the Interference Proceeding to vacate benefit to this priority date, which we have opposed. Biogen also filed a motion in the Interference Proceeding alleging that our claims are unpatentable under 35 U.S.C. Section 112 for lack of written description and lack of enablement, which we have opposed. The PTAB granted this motion on March 31, 2017. In addition, Biogen filed a motion for priority asserting February 19, 2004 as its date of conception of the invention claimed in its '514 patent, which is earlier than the October 8, 2004 priority date to which our '871 application has been accorded benefit. As the junior party in the Interference Proceeding, Biogen has the burden of proving an earlier date of conception and diligent reduction to practice of the invention from a date just before our earliest effective filing date through the date of Biogen's earliest alleged reduction to practice, which is currently Biogen's alleged first constructive reduction to practice on February 8, 2007, the date of Biogen's U.S. provisional application. Thus, Biogen must show diligence for a 28-month period from October 2004 through February 2007. We have opposed Biogen's priority motion.

We filed four motions in the Interference Proceeding. Our first motion alleges that Biogen's '514 patent is unpatentable under 35 U.S.C. Sections 102 and/or 103 in view of the publication of our international application PCT/DK2005/000648. Our second motion alleges that Biogen's '514 patent claims are unpatentable under 35 U.S.C. Section 112 for lack of written description. Our third motion seeks benefit of the filing dates of our three additional Danish applications and our U.S. provisional application. Our fourth motion attacks Biogen's benefit claim to its February 8, 2007 U.S. provisional application. Biogen has opposed each of our motions.

The oral argument for the Interference Proceeding took place on November 30, 2016. On March 31, 2017, the PTAB issued a decision in the Interference Proceeding in favor of Biogen. The PTAB ruled that the claims of the '871 application are not patentable due to a lack of adequate written description. The Company intends to appeal the decision to the Federal Circuit. The appeal is expected to last 12 months or longer. If the Company prevails in this appeal, we expect the Federal Circuit to remand the case to the PTAB, in order for the PTAB to resolve both parties' other outstanding motions, including Biogen's priority motion. The oral argument for the inter partes review, or IPR, against Biogen's '514 patent, which was instituted in response to a request from the Coalition for Affordable Drugs (IPR No. 2015-01993), was also held on November 30, 2016. On March 21, 2017, the PTAB issued a decision in the IPR holding that the claims of Biogen's '514 patent are patentable. The Coalition for Affordable Drugs has the right to appeal this decision.

If we prevail in the Interference Proceeding after any appeals to the Federal Circuit, we expect our '871 application to be in condition for allowance and Biogen's '514 patent to be cancelled. If, however, Biogen is successful in proving that our claims are unpatentable, we would not prevail in the Interference Proceeding. Even if we can defeat Biogen's argument that our claims are unpatentable, if Biogen is successful in proving an earlier date of conception and diligent reduction to practice, we would not prevail in the Interference Proceeding unless we can successfully prove that Biogen's claims are unpatentable. See "Risk Factors—Risks Related to Our Business and Industry—There can be no assurance that the Interference Proceeding between our U.S. Patent Application No. 11/576,871 and Biogen's U.S. Patent No. 8,399,514 will ultimately result in judgment against Biogen and the cancellation of its patent claims. In addition, there can be no assurance that any claims of our U.S. Patent Application No. 11/576,871 will ever issue in a patent or be royalty bearing under the Settlement and License Agreement with Biogen."

If we prevail in the Interference Proceeding after any appeals to the Federal Circuit, we further expect our '871 application, if ultimately issued, would be entitled to patent term adjustment extending the patent term to compensate the Company for time lost during prosecution and the interference which the Company estimates would result in patent expiration in 2029 or later. However, there can be no assurance that we would obtain patent term adjustment that would fully compensate us for all such time lost.

U.S. Patent Application No. 14/213,399. A second key patent application in the U.S. is Application No. 14/213,399, or the '399 application. The '399 application claims the use of delayed release formulations of DMF to treat MS according to an up-titration (i.e., increasing dose) regimen that reaches a total daily dose of 480 mg. On April 1, 2015, a USPTO patent examiner issued a "final rejection" of this application, but we appealed this decision to the PTAB. On October 31, 2016, the patent examiner withdrew her prior rejections that were the subject of the appeal, and issued a non-final rejection based on new grounds. A response to the office action is due by April 30, 2017. The claims of the '399 application are substantially similar to claims in another application of ours, No. 13/957,117, which were found allowable by the USPTO, but which we voluntarily abandoned.

U.S. Patent Application No. 14/212,503. A third key patent application in the U.S. is Application No. 14/212,503, or the '503 application. The '503 application claims a method of treating a MS subject with 480 mg of DMF per day, using delayed release formulations containing from 120 mg to 240 mg of

DMF which, following administration, result in certain levels of MMF, the main metabolite of DMF, in the bloodstream. On April 17, 2015, a USPTO patent examiner issued a "final rejection" of this patent application but we have appealed this decision and the PTAB may ultimately find our '503 application to be allowable. These claims are substantially similar to claims in another application of ours, No. 13/957,220, which were found allowable by the USPTO, but which we voluntarily abandoned.

U.S. Patent Application No. 14/209,480. A fourth key patent application in the U.S. is Application No. 14/209,480, or the '480 application. The '480 application contains claims directed to pharmaceutical compositions comprising DMF in an amount of 50 - 90% by weight of the composition. On April 11, 2017, the patent examiner issued a non-final rejection of the claims.

European Intellectual Property

European Patent EP2801355. Our issued EP'355 patent covers, among other things, the treatment of MS with 480 mg per day of DMF using pH-controlled compositions that have an enteric coating. The EPO completed their review of this application and issued this patent on May 20, 2015. This patent has been opposed by several parties. The first instance hearing of the Opposition Proceeding in the EPO has been scheduled for November 6 and 7, 2017. Opposition proceedings are special proceedings heard by the EPO where one or more third parties request that the patent, or a part thereof, be revoked. Assuming we successfully defend the patent during the Opposition Proceeding, the EP'355 patent has a maximum duration until October 2025 (subject to possible SPC extension—see below). This is our first issued patent covering the use of 480 mg per day of DMF to treat MS. The EPO examiner allowed our 480 mg per day patent claims (meaning that the examiner determined that our claims met the statutory requirements for patentability) after considering two anonymous third-party observations that requested the EPO to decline to grant the application as well as to suspend its examination. Although Biogen may not challenge the validity of the EP'355 patent in national proceedings, the validity of the national parts of the EP'355 patent could be challenged by other third parties in the respective national courts, and in some countries these validity challenges can run in parallel with EPO opposition proceedings. See "Risk Factors—There can be no assurance that even if we are successful in the opposition proceedings involving our patents currently pending before the EPO, we will not be subject to subsequent or parallel invalidity proceedings (also called "nullity actions" or "revocation actions") involving these same or other patents of ours before a national court in any of the European Patent Convention member states where our patents were validated, which subsequent or parallel proceedings could result in our challenged patents being subject to continued uncertainty as to their validity until such proceedings have been fully concluded. We cannot at this time anticipate how long any such proceedings may last or when, if at all, our patents currently under challenge will finally be declared to be valid or not."

SPC Applications. In a number of countries in the EU, we have applied for national SPCs in reliance on the EP'355 patent and the EU marketing authorization for Biogen's product Tecfidera®. If these applications are successful, the resultant SPCs will effectively extend the duration of the EP'355 patent, insofar as it covers Tecfidera®, from October 2025 until January 2029. So far, our SPC applications have been granted in Cyprus, France, Greece, Italy, Luxembourg, Slovenia, Spain and Sweden. This is possible because the case law of the Court of Justice for the European Union currently allows patent holders to obtain SPCs in reliance on marketing authorizations held by third parties. If the case law were to change such that this is no longer a possibility, we would expect any such SPCs granted in our favor to be revoked. Further, if an EU national court were to hold (subject to any appeal) that the claims of the EP'355 patent do not cover Tecfidera®, we would expect the national court to revoke any SPC granted in our favor in that country.

European Patent EP1799196. Our European patent EP1799196, or the EP'196 patent, covers, among other things, controlled release compositions that release DMF according to a specific in vitro

release profile. The patent was granted on June 22, 2016. Oppositions to this patent have been filed by third parties with the EPO.

European Patent Application EP2965751. Another key patent application in the EU is EP2965751, formerly EP15166243.4, or the '751 application. The '751 application covers, among other things, compositions containing DMF where the daily dosage is 480 to 600 mg and the DMF is released depending on pH. The EPO has completed its initial review of this application and issued a negative search report on January 13, 2016. We responded to the search report on July 13, 2016. A third party observation was filed on September 20, 2016. We responded to the third party observation on November 16, 2016. A negative office action was issued on February 10, 2017, which we understand to have been the result of a clerical error.

European Patent EP2801354. A key patent in the EU is EP2801354, or the EP'354 patent. The EP'354 patent covers, among other things, the treatment of MS with 480 mg per day of DMF using a controlled-release composition with particular *in vitro* dissolution profiles. The patent was granted on February 8, 2017. Third parties may oppose the grant of the patent at any point up until November 8, 2017.

European Patent Application EP2792349. Another key patent application in the EU is EP2792349, formerly EP14172396.5, or the '349 application. The '349 application covers, among other things, the treatment of MS with 480 mg per day of DMF using controlled-release compositions. On February 8, 2017, the EPO issued a notice of intention to grant the patent.

European Patent EP2316430. Our European patent EP2316430 covers DMF formulations with certain in vitro dissolution profiles. By a decision issued in July 2015, an Opposition Division of the European Patent Office revoked EP2316430, in particular, for the reason that the claims allegedly contain subject matter not directly and unambiguously derivable from the original application as filed. The Opposition Division of the European Patent Office did not adjudicate on the issues of novelty or inventive step. We have filed an appeal against this decision. Thus, the revocation will only become effective if and when confirmed by the Technical Board of Appeal. As in any legal proceeding, there can be no assurance that we will be successful in our appeal. The claims of this patent are different from the claims of both the '871 application (the U.S. patent application that is currently in the Interference Proceeding), as well as the EP'355 European patent. However, the EP'355 patent and European patent EP2316430 are divisionals of the same original application.

European Patent Application EP3093012. Another key patent application in the EU is EP3093012, formerly EP16001391.8, or the '012 application. The '012 application covers, among other things, controlled release pharmaceutical compositions comprising DMF in an amount of 50 - 90% by weight of the composition.

Erosion Matrix Patent Family

A patent from our erosion matrix patent family, EP2379063 (covering matrix formulations with a thin enteric coating), has been granted by the EPO. Multiple third parties, including Biogen, opposed this patent before the EPO. Those oppositions were rejected by the EPO and the patent was maintained in its entirety at a hearing on April 5, 2016. The decision has been appealed.

We also have European Patent EP2564839 (containing claims directed to a pharmaceutical formulation in the form of an erosion matrix tablet having a particular composition). The EPO issued this patent on May 11, 2016. An opponent has filed a notice of opposition with the EPO.

In the U.S., the USPTO reviewed the European oppositions to EP2379063 and has since issued our patent application 13/143,498 covering FP187, which is entitled "Pharmaceutical formulation comprising one or more fumaric acid esters in an erosion matrix." The application issued as U.S. Patent No. 8,906,420 on December 9, 2014, and will expire at the latest in January 2030.

Other Patent Families

Beyond our core composition patent and erosion matrix patent families, our other patent families include U.S. Patent Application Nos. 14/419,031, 14/914,031 and 14/914,025, directed, among other things, to dosing regimens of DMF.

Overview of MS

MS is a chronic disorder of the central nervous system, or CNS, involving brain, spinal cord and optic nerves, and is characterized clinically by recurring episodes of neurological dysfunction. MS is immune-mediated, driven by autoreactive lymphocytes that attack the covering surrounding nerve cells, or myelin sheath. This autoimmune response results in destruction of the myelin sheath, termed demyelination, and nerve damage. The CNS destruction caused by autoreactive lymphocytes can lead to debilitating clinical symptoms such as numbness, difficulty walking, visual loss, loss of coordination and muscle weakness.

The Multiple Sclerosis International Foundation estimates that approximately 2.3 million people suffer from MS worldwide. It is estimated that between 60% and 65% of MS patients have what is referred to as relapsing remitting MS, or RRMS, characterized by recurrent acute exacerbations of neurological dysfunction followed by variable degrees of recovery with clinical stability between relapses, which would mean approximately 1.5 million people worldwide suffer from RRMS. The majority of patients are diagnosed with MS between the ages of 20 and 40. Almost half of relapses result in incomplete recovery of neurological function and leave permanent disability and impairment that accumulates over time. Owing to the complications of chronic disability, life span for patients with MS is typically shortened by approximately 7 years.

The early onset and progressive nature of relapsing forms of MS highlights the need for treatment options that are effective, convenient and tolerable. This unmet need is particularly important for sufferers in the workforce or those raising families. The inevitability of both relapse and disease progression also results in the prescription of the newest medications that offer increased levels of efficacy and differing risk/benefit profiles. As new efficacious and safe treatments are approved, MS patients will have more options for treatment in earlier stages of the disease.

Clinical Development Summary

Our clinical development strategy, if we reinitiate development of a DMF Formulation in the U.S., will be designed with a view towards satisfying marketing approval requirements in the U.S. We have conducted an extensive pre-clinical program and have completed several Phase 1 clinical trials and one Phase 2 clinical trial. We are currently finishing additional Phase 1 clinical trials, but have no current plan to pursue Phase 3 development of FP187.

Manufacturing

FP187 for the treatment of psoriasis is a round tablet, 8 mm in diameter and 5 mm in height, that contains DMF in an erosion matrix; each erosion matrix tablet core is covered by a thin enteric coating. A new, elongated tablet was being developed for FP187 for the treatment of relapsing forms of MS. The tablet would also use an erosion matrix and would be covered by the same thin enteric coating. Several formulations with the elongated tablet have been produced and have been investigated in Phase 1 pharmacokinetic and tolerability studies.

Historically, a single contract manufacturing organization, or CMO, provided us with our main supply of DMF, which is our API for FP187. The manufacturing process for API operated by this CMO has been validated for a 120 kg batch size in 2013 and for a 650 kg batch size in 2016. A secondary API supplier has been identified and the technology transfer of the process at the smaller scale was successfully performed in 2016. The analytical methods and procedures used for the control of the process and the product are validated in both CMOs.

Formulation development and clinical manufacture of our FP187 tablets have been performed by two different CMOs, depending on the process of manufacture. The first production procedure has been validated at a 30 kg batch size, and was scaled-up to a larger batch size in 2016. Several batches have consistently been produced under cGMP conditions for use in our Phase 1 program and potential use in Phase 3. An alternative manufacturing process has been established in a second CMO and clinical trial material manufactured for use in our Phase 1 studies. Scaling-up work was initiated. A technology transfer of the alternative tablet manufacturing process with a second supplier has been ongoing, with capabilities to handle both processes at commercial-scale.

All the facilities undergo inspections and audits by regulatory authorities and the Company further has audited these facilities to ensure compliance with regulatory requirements. These CMOs have supplied us with DMF and FP187 tablets pursuant to individual work orders for development and clinical supply.

Material Agreements

Biogen License Agreement

As discussed above, on February 1, 2017, our License Agreement with Biogen and certain additional parties became effective. The License Agreement provides Biogen with a co-exclusive license in the U.S., and an exclusive license outside the U.S., to the Company's intellectual property, effective as of February 9, 2017. Biogen also is required, if certain conditions are met within the time period set forth in the License Agreement, including the termination or expiration of any waiting period under the HSR Act, to obtain an exclusive license to the Company's intellectual property in the U.S. In accordance with the License Agreement, Biogen paid the Company a non-refundable cash fee of $1.25 billion and could be obligated to pay the Company royalties provided that other conditions of the License Agreement are satisfied. See "—Our Company—Settlement and License Agreement with Biogen."

Aditech Agreements

In 2004, Aditech, controlled by Nordic Biotech General Partner ApS (an affiliate of one of our largest shareholders), began developing and filing patents for, among other things, formulations and dosing regimens of DMF. In 2005, we entered into a patent license agreement with Aditech to license this patent family from Aditech. In 2010, we acquired this patent family from Aditech pursuant to a patent transfer agreement that replaced the patent license agreement. Under our agreement with Aditech, we obtained, among other things, Aditech's patents and associated know-how related to formulations and dosing regimens of DMF, subject to both diligence and minimum annual expenditure (€ 1.0 million per year) obligations on our part.

In connection with our execution of the License Agreement, we entered into an addendum to the patent transfer agreement with Aditech pursuant to which Aditech agreed to waive its rights to, among other things, terminate the patent transfer agreement (which rights gave Aditech an option to receive back, for no consideration, all of our DMF-related assets in the event of the Company's liquidation or bankruptcy, material breach by the Company of the patent transfer agreement or the Company's failure to meet its obligations with respect to the development and commercialization of the patent rights as set forth in the patent transfer agreement).

In addition, the addendum to the patent transfer agreement clarifies the royalties payable to Aditech in connection with any proceeds received by the Company from Biogen under the License Agreement. The addendum specifies that Aditech will receive 2% of the Non-refundable Fee (or $25 million) and is entitled to additional compensation should the Company receive royalties from Biogen under the License Agreement. The additional compensation due to Aditech will be determined based on whether Biogen has an exclusive or a co-exclusive license with the Company (on a country-by-country basis). If royalties are paid to the Company while Biogen has an exclusive license, Aditech will be entitled to receive a cash payment equal to 2% of the same base amount with respect to which the Company's royalty percentage is calculated, accruing from the same period of time as any royalty payment payable by Biogen to the Company (prior to taking into account taxes, duties and VAT, if any). If Biogen has a co-exclusive license, Aditech will receive a cash payment equal to 20% of the royalty remitted to the Company by Biogen and any third party to which the Company may assign its U.S. co-exclusive license rights. Should the Company not assign its U.S. co-exclusive license rights to a third party but instead utilize the co-exclusive rights to develop a DMF-containing product on its own, the Company will, as was also the case prior to entry into the addendum, be required to pay Aditech a royalty of 2% of the net sales of such a product.

Competition

We are engaged in segments of the pharmaceutical and biotechnological industries that are highly competitive and rapidly changing. Large pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions, governmental agencies and other public and private research organizations are commercializing or pursuing the development of products that target multiple sclerosis. If Biogen obtains an exclusive license in the U.S., our future success will depend on the continued market acceptance of Tecfidera®. We expect approved MS treatments, such as Tecfidera®, will continue to face intense and increasing competition as new and improved products enter the MS markets and advanced technologies become available. Competition from any newly approved products (whether branded, generics or biosimilars) in the U.S. or EU may reduce Tecfidera® sales, which in turn may reduce possible royalties payable by Biogen to us. Furthermore, if Biogen does not obtain an exclusive license and we reinitiate the development of a DMF Formulation for sale in the U.S. under a co-exclusive license with Biogen, either on our own or through any assignee of our U.S. co-exclusive license rights, or we determine in the future to develop other DMF-containing formulations and products, including generics, consistent with the terms of the License Agreement, competition with Biogen and others may reduce possible royalties or other payments owed to us. Several companies are developing additional treatments for multiple sclerosis, and late stage clinical candidates include, but are not limited to, Roche's Ocrevus® and Celgene's ozanimod. Competition among products approved for sale is based, among other things, on safety and effectiveness, the timing and scope of regulatory approvals, the availability and cost of supply, marketing and sales capabilities, reimbursement coverage, price, patent position and other factors.

Government Regulation

Our industry is subject to extensive government regulation. Regulation by governmental authorities in the U.S, the EU and other jurisdictions is a significant factor in the development, manufacture and marketing of any drugs and in ongoing research and development activities. Any products developed, manufactured or marketed by us, Biogen or others are subject to rigorous pre-clinical and clinical trials and other pre-marketing approval requirements by the FDA, the EMA and other regulatory authorities in the U.S., and the EU.

United States

In the U.S., the FDA regulates drugs under the Food, Drug and Cosmetic Act, or FDC Act, and regulations implemented by the agency. If we or any assignee of our U.S. co-exclusive license rights fails to comply with the applicable U.S. requirements at any time during the product development process, including non-clinical testing, clinical testing, the approval process or after approval, we or such assignee may become subject to administrative or judicial sanctions. These sanctions could include, but are not limited to, the FDA's refusal to allow us to proceed with clinical testing, refusal to approve pending applications, withdrawal of an approval, warning or untitled letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties and criminal prosecution.

Approval of Drugs

The process required by the FDA before a drug may be marketed in the U.S. generally involves satisfactorily completing each of the following:

- pre-clinical laboratory tests, animal studies and formulation studies all performed in accordance with the FDA's GLP and cGMP regulations, as applicable;
- submission to the FDA of an IND application for human clinical testing, which must become effective before human clinical trials involving testing on U.S. patients may begin;
- performance of adequate and well-controlled clinical trials to establish the safety and efficacy of the product for each proposed indication;
- submission of data supporting safety and efficacy as well as detailed information on the manufacture and composition of the product in clinical development and proposed labeling;
- submission to the FDA of an NDA;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities, including those of third parties, at which the product is produced to assess compliance with strictly enforced cGMPs;
- potential FDA audit of the non-clinical and clinical trial sites that generated the data in support of the NDA; and
- FDA review and approval of the NDA before any commercial marketing, sale or shipment of the product.

Satisfaction of FDA pre-market approval requirements typically takes many years and the actual time required may vary substantially based on the type, complexity and novelty of the product or disease.

Pre-clinical Studies and Investigational New Drug Application

Pre-clinical tests include laboratory evaluations of product chemistry, formulation and stability, as well as studies to evaluate toxicity in animals, in order to assess the potential safety and efficacy of the product. The conduct of the pre-clinical tests and formulation of the compounds for testing must comply with federal regulations and requirements. The results of the pre-clinical tests, together with manufacturing information and analytical data, are submitted to the FDA as part of an IND application. The IND becomes effective 30 days after receipt by the FDA, unless the FDA raises concerns or questions about the conduct of the proposed clinical trial, including concerns that human research subjects will be exposed to unreasonable health risks. In that case, the IND sponsor and the FDA must resolve any outstanding FDA concerns before the clinical trials can begin. Submission of the IND may result in the FDA not allowing the trials to commence, either on the terms originally

specified in the IND, or at all. If the FDA raises concerns or questions either during this initial 30-day period or at any time during the IND process, they may choose to impose a partial or complete clinical hold. This order issued by the FDA would delay either a proposed clinical study or cause suspension of an ongoing study, until all outstanding concerns have been adequately addressed and the FDA has notified the company that investigations may proceed. This could cause significant delays or difficulties in completing planned clinical studies in a timely manner.

Clinical trials

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators. Clinical trials are conducted in accordance with federal regulations and under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. Each protocol involving U.S. patients and subsequent protocol amendments must be submitted to the FDA as part of the IND. An independent IRB must also review and approve the clinical trial before it can begin and monitor the study until it is completed. The IRB will consider, among other things, clinical trial design, patient informed consent, ethical factors, and the safety of human subjects. The FDA, the IRB or the sponsor may suspend or discontinue a clinical trial at any time. In addition, the FDA may impose sanctions for various reasons, including a finding that the clinical trial is not being conducted in accordance with FDA requirements or the subjects are being exposed to an unacceptable health risk. Clinical testing also must satisfy extensive Good Clinical Practice rules, an international standard meant to protect the rights and health of patients and to define the roles of clinical trial sponsors, administrators and monitors, including the requirements for informed consent.

Clinical trials typically are conducted in three sequential phases, but the phases may overlap. Additional studies may be required after approval.

Phase 1 clinical trials are initially conducted in a limited population to test the product for safety, dose tolerance, absorption, metabolism, distribution and excretion in healthy humans or, on occasion, in patients, such as cancer patients.

Phase 2 clinical trials are generally conducted in a limited patient population to identify possible adverse effects and safety risks, determine the efficacy of the product for specific targeted indications and determine dose tolerance and optimal dosage. Multiple Phase 2 clinical trials may be conducted by the sponsor to obtain information prior to beginning a larger and more costly Phase 3 clinical trial.

Phase 3 clinical trials proceed if the Phase 2 clinical trials provide evidence that a dose range of the product is effective and has an acceptable safety profile. Phase 3 clinical trials are undertaken in large patient populations to further evaluate dosage, provide substantial evidence of clinical efficacy and further test for safety in an expanded and diverse patient population at multiple, geographically dispersed clinical trial sites. A well-controlled, statistically relevant Phase 3 trial may be designed to deliver the data that the regulatory authorities will use to decide whether or not to approve a drug. Such Phase 3 studies are referred to as "pivotal." In most cases, FDA requires two adequate and well-controlled Phase 3 clinical trials to demonstrate the efficacy of the drug. A single Phase 3 trial with other confirmatory evidence may be sufficient in instances where the study is a large multicenter trial demonstrating internal consistency and a statistically persuasive finding of a clinically meaningful effect.

In some cases, the FDA may approve an NDA for a product with the sponsor's agreement to conduct additional clinical trials to further assess the drug's safety and effectiveness after NDA approval. Such post-approval trials are typically referred to as Phase 4 clinical trials. These studies are used to gain additional experience from the treatment of patients in the intended therapeutic indication and to document a clinical benefit in the case of drugs approved under accelerated approval

regulations. If the FDA approves a product while a company has ongoing clinical trials that were not necessary for approval, a company may be able to use the data from these clinical trials to meet all or part of any Phase 4 clinical trial requirement. Failure to promptly conduct Phase 4 clinical trials could result in withdrawal of approval for products.

New Drug Application

The results of product development, pre-clinical testing and clinical trials are submitted to the FDA as part of an NDA, submitted under Sections 505(b)(1) or 505(b)(2) of the FDC Act. The NDA also must contain extensive manufacturing information and detailed information on the composition of the product and proposed labeling as well as payment of a user fee. Currently, the application fee is approximately $2.0 million, and the manufacturer and/or sponsor under an approved new drug application are also subject to annual product and establishment user fees, currently approximately $97,750 per product and $512,200 per establishment. These fees are typically adjusted annually. Once the submission has been accepted for filing, the FDA begins an in-depth review of the NDA. Under the goals and policies agreed to by the FDA under the most recent iteration of the Prescription Drug User Fee Act, or the PDUFA, the FDA has 10 to 12 months in which to review a standard NDA and respond to the applicant, and six to eight months for a priority NDA. The FDA does not always meet its PDUFA goal dates for standard and priority NDAs. The review process is often significantly extended by FDA requests for additional information or clarification. The review process and the PDUFA goal date may be extended by three months to consider certain late-submitted information, or information intended to clarify information already provided in the submission. The FDA may also refer the NDA to an advisory committee for review, evaluation and recommendation as to whether the application should be approved. The FDA is not bound by the recommendation of the advisory committee, but it generally follows such recommendations. The FDA may deny approval of an NDA if the applicable regulatory criteria are not satisfied, or it may require additional clinical data or an additional pivotal Phase 3 clinical trial. Even if such data are submitted, the FDA may ultimately decide that the NDA does not satisfy the criteria for approval.

Before approving an NDA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP. Additionally, the FDA will inspect the facility or the facilities at which the drug is manufactured. FDA will not approve the product unless compliance with cGMP is satisfactory and the NDA contains data that provide substantial evidence that the drug is safe and effective in the indication studied.

At the conclusion of the FDA's review, it will issue an action letter. If the FDA's evaluations of the NDA and the clinical and manufacturing procedures and facilities are favorable and there are no outstanding issues, the FDA will issue an approval letter. If the application is not approved, the FDA will issue a complete response letter, which will contain the conditions that must be met in order to secure final approval of the NDA, and when possible will outline recommended actions the sponsor might take to obtain approval of the application. Sponsors that receive a complete response letter may submit to the FDA information that represents a complete response to the issues identified by the FDA. If, or when, those deficiencies have been addressed to the FDA's satisfaction in a resubmission of the NDA, the FDA will issue an approval letter. FDA has committed to reviewing such resubmissions in two or six months depending on the type of information included. Once issued, the FDA may withdraw a drug approval if ongoing regulatory requirements are not met or if safety problems occur after the drug reaches the market. In addition, the FDA may require further testing, including Phase 4 clinical trials, and surveillance programs to monitor the effect of approved drugs that have been commercialized.

As a condition of NDA approval, the FDA may require a risk evaluation and mitigation strategy, or REMS, to help ensure that the benefits of the drug outweigh the potential risks. REMS can include medication guides, communication plans for healthcare professionals, and elements to assure safe use, or ETASU. ETASU can include, but are not limited to, special training or certification for prescribing or dispensing, dispensing only under certain circumstances, special monitoring, and the use of patient registries. The requirement for a REMS can materially affect the potential market and profitability of the drug.

The FDA has the power to prevent or limit further marketing of a drug based on the results of these post-marketing programs. Drugs may be marketed only for the approved indications and in accordance with the provisions of the approved label. Further, if there are any modifications to a drug, including changes in indications, labeling or manufacturing processes or facilities, the sponsor may be required to submit and obtain FDA approval of a new NDA or NDA supplement, which may require the sponsor to develop additional data or conduct additional pre-clinical studies and clinical trials. There is no assurance that any additional approval for new indications for any product will be approved by the FDA.

The FDA has several programs that are intended to facilitate and expedite development and review of new drugs to address unmet medical need in the treatment of serious or life-threatening conditions. These programs are intended to help ensure that therapies for serious conditions are available as soon as it can be concluded that the therapies' benefits justify their risks. These programs include breakthrough therapy designation, fast track designation, priority review and accelerated approval.

Hatch-Waxman Act and Orange Book listing

In seeking approval for a drug through an NDA, applicants are required to list with the FDA each patent whose claims cover the applicant's product. Upon approval of a drug, each of the patents listed in the application for the drug is then published in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations, commonly known as the Orange Book. Drugs listed in the Orange Book can, in turn, be cited by potential generic competitors in support of approval of an abbreviated new drug application, or ANDA. An ANDA provides for marketing of a drug product that has the same active ingredients in the same strengths and dosage form as the listed drug and has been shown through bioequivalence testing to be therapeutically equivalent to the listed drug. Other than the requirement for bioequivalence testing, ANDA applicants ordinarily are not required to conduct, or submit results of, pre-clinical or clinical tests to prove the safety or effectiveness of their drug product.

The ANDA applicant is required to certify to the FDA concerning any patents listed for the approved product in the FDA's Orange Book. Specifically, the applicant must certify that: (i) the required patent information has not been filed; (ii) the listed patent has expired; (iii) the listed patent has not expired, but will expire on a particular date and approval is sought after patent expiration; or (iv) the listed patent is invalid or will not be infringed by the new product. The ANDA applicant may also elect to submit a statement certifying that its proposed ANDA label does not contain (or carves out) any language regarding the patented method-of-use, known as a section viii statement, rather than certify to a listed method-of-use patent. If the applicant does not challenge the listed patents, the ANDA application will not be approved until all the listed patents claiming the referenced product have expired.

A certification that the new product will not infringe the already approved product's listed patents, or that such patents are invalid, is called a Paragraph IV certification. If the ANDA applicant has provided a Paragraph IV certification to the FDA, the applicant must also send notice of the Paragraph IV certification to the NDA and patent holders once the ANDA has been accepted for filing by the FDA. The NDA and patent holders may then initiate a patent infringement lawsuit in response

to the notice of the Paragraph IV certification. The filing of a patent infringement lawsuit within 45 days of the receipt of a Paragraph IV certification automatically prevents the FDA from approving the ANDA until the earlier of 30 months, expiration of the patent, settlement of the lawsuit, or a decision in the lawsuit that is favorable to the ANDA applicant.

The ANDA application also will not be approved until any applicable non-patent exclusivity listed in the Orange Book for the referenced product has expired.

Section 505(b)(2) New Drug Applications

Most drug products obtain FDA marketing approval pursuant to an NDA or an ANDA. A third alternative is a special type of NDA, commonly referred to as a Section 505(b)(2) NDA, which enables the applicant to rely, in part, on the FDA's previous approval of a similar product, or published literature, in support of its application.

Section 505(b)(2) NDAs often provide an alternate path to FDA approval for new or improved formulations or new uses of previously approved products. Section 505(b)(2) permits the filing of an NDA where at least some of the information required for approval comes from studies not conducted by, or for, the applicant and for which the applicant has not obtained a right of reference. If the Section 505(b)(2) applicant can establish that reliance on FDA's previous approval is scientifically appropriate, it may eliminate the need to conduct certain pre-clinical or clinical studies of the new product. The FDA may also require companies to perform additional studies or measurements to support the change from the approved product. The FDA may then approve the new product candidate for all, or some, of the label indications for which the referenced product has been approved, as well as for any new indication sought by the Section 505(b)(2) applicant.

To the extent that the Section 505(b)(2) applicant is relying on studies conducted for an already approved product, the applicant is required to certify to the FDA concerning any patents listed for the approved product in the Orange Book to the same extent that an ANDA applicant would. Thus approval of a Section 505(b)(2) NDA can be stalled until all the listed patents claiming the referenced product have expired, until any non-patent exclusivity, such as exclusivity for obtaining approval of a new chemical entity, listed in the Orange Book for the referenced product has expired, and, in the case of a Paragraph IV certification and subsequent patent infringement suit, until the earlier of 30 months, settlement of the lawsuit or a decision in the infringement case that is favorable to the Section 505(b)(2) applicant.

Exclusivity

Upon NDA approval of a new chemical entity, or NCE, which is a drug that contains no active moiety that has been approved by the FDA in any other NDA, that drug receives five years of marketing exclusivity during which the FDA cannot receive any ANDA seeking approval of a generic version of that drug or a Section 505(b)(2) NDA that references the drug. Certain changes to a drug that require a clinical trial to support the FDA approval, such as the addition of a new indication to the package insert, are associated with a three-year period of exclusivity during which the FDA cannot approve an ANDA or Section 505(b)(2) NDA for a drug that includes the change.

An ANDA or Section 505(b)(2) NDA may be submitted one year before NCE exclusivity expires if a Paragraph IV certification is filed. If there is no listed patent in the Orange Book, there may not be a Paragraph IV certification, and, thus, no ANDA may be filed before the expiration of the NCE exclusivity period.

Post-Approval Regulation

If regulatory approval for marketing of a product or new indication for an existing product is obtained, we or any assignee of our U.S. co-exclusive license rights will be required to comply with all regular post-approval regulatory requirements as well as any post-approval requirements that the FDA may impose as part of the approval process.

For instance, the FDA closely regulates the post-approval marketing and promotion of drugs, including standards and regulations for direct-to-consumer advertising, off-label promotion, industry-sponsored scientific and educational activities and promotional activities involving the internet. Drugs may be marketed only for the approved indications and in accordance with the provisions of the approved labeling.

We or any assignee of our U.S. co-exclusive license rights will be required to report certain adverse reactions and production problems to the FDA, provide updated safety and efficacy information and comply with requirements concerning advertising and promotional labeling requirements. Drug manufacturers and certain of their subcontractors are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with ongoing regulatory requirements, including cGMP regulations, which impose certain procedural and documentation requirements upon drug manufacturers. Accordingly, we or any assignee of our U.S. co-exclusive license rights and any third-party manufacturers must continue to expend time, money and effort in the areas of production and quality control to maintain compliance with cGMP regulations and other regulatory requirements. Discovery of problems with a product after approval for marketing may result in restrictions on a product, manufacturer, or holder of an approved NDA, including withdrawal of the product from the market.

Disclosure of Clinical Trial Information

Sponsors of clinical trials of FDA regulated products, including drugs, are required to register and disclose certain clinical trial information. Information related to the product, patient population, phase of investigation, study sites and investigators, and other aspects of the clinical trial is then made public as part of the registration. Sponsors are also obligated to discuss the results of their clinical trials after completion. Disclosure of the results of these trials can be delayed until the new product or new indication being studied has been approved. Competitors may use this publicly available information to gain knowledge regarding the progress of development programs.

Pharmaceutical Pricing and Reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of any drug products for which we or any assignee of our U.S. co-exclusive license rights obtain regulatory approval. Sales of a DMF Formulation, if approved, will depend to a significant degree on the extent to which the costs of the products will be covered by third-party payors, including government health programs such as Medicare and Medicaid, commercial health insurers and managed care organizations. The process for determining whether a payor will provide coverage for a drug product may be separate from the process for setting the price or reimbursement rate that the payor will pay for the drug product once coverage is approved. Third-party payors may limit coverage to specific drug products on an approved list, or formulary, which might not include all of the approved drugs for a particular indication.

In order to secure coverage and reimbursement for any product that might be approved for sale, we or any assignee of our U.S. co-exclusive license rights may need to conduct pharmacoeconomic studies to demonstrate the medical necessity and cost-effectiveness of the product, in addition to the costs required to obtain FDA or other comparable regulatory approvals. A DMF Formulation may not be considered medically necessary or cost-effective. A payor's decision to provide coverage for a drug

product does not imply that an adequate reimbursement rate will be approved. Third-party reimbursement may not be sufficient to enable us to maintain price levels high enough to realize an appropriate return on our investment in product development.

The containment of healthcare costs has become a priority of governments, and the prices of drugs have been a focus in this effort. Third-party payors are increasingly challenging the prices charged for medical products and services and examining the medical necessity and cost-effectiveness of medical products and services, in addition to their safety and efficacy. If these third-party payors do not consider our products to be cost-effective compared to other available therapies, they may not cover our products after approval as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow us to sell our products at a profit. The U.S. government, state legislatures and non-U.S. governments have shown significant interest in implementing cost containment programs to limit the growth of government-paid health care costs, including price controls, restrictions on reimbursement and requirements for substitution of generic products for branded prescription drugs. Adoption of such controls and measures, and tightening of restrictive policies in jurisdictions with existing controls and measures, could limit payments for pharmaceuticals such as the product that we or any assignee of our U.S. co-exclusive license rights may develop and could adversely affect our net revenue and results.

Pricing and reimbursement schemes vary widely from country to country. Some countries provide that drug products may be marketed only after a reimbursement price has been agreed. Some countries may require the completion of additional studies that compare the cost-effectiveness of a particular product to currently available therapies. For example, the EU provides options for its member states to restrict the range of drug products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. EU member states may approve a specific price for a drug product or may instead adopt a system of direct or indirect controls on the profitability of the company placing the drug product on the market. Other member states allow companies to fix their own prices for drug products, but monitor and control company profits. The downward pressure on health care costs in general, particularly prescription drugs, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products. In addition, in some countries, cross-border imports from low-priced markets exert competitive pressure that may reduce pricing within a country. There can be no assurance that any country that has price controls or reimbursement limitations for drug products will allow favorable reimbursement and pricing arrangements for any of our products.

The marketability of any products for which we or any assignee of our U.S. co-exclusive license rights may receive regulatory approval for commercial sale may suffer if the government and third-party payors fail to provide adequate coverage and reimbursement. In addition, emphasis on managed care in the U.S. has increased and we expect will continue to increase the pressure on drug pricing. Coverage policies, third-party reimbursement rates and drug pricing regulation may change at any time. In particular, the Patient Protection and Affordable Care Act was enacted in the U.S. in March 2010 and contains provisions that may reduce the profitability of drug products, including, for example, increased rebates for drugs sold to Medicaid programs, extension of Medicaid rebates to Medicaid managed care plans, mandatory discounts for certain Medicare Part D beneficiaries and annual fees based on pharmaceutical companies' share of sales to federal health care programs. Even if favorable coverage and reimbursement status is attained for one or more products for which we or any assignee of our U.S. co-exclusive license rights receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

Environmental, Health and Safety

Our operations are subject to a number of environmental acts and regulations. We believe that we are materially in compliance with all applicable environmental laws and regulations. Currently, there are no pending environmental issues that we believe could reasonably be expected to have a material adverse effect on our business, financial position, results of operations or future growth prospects.

We consider it important to maintain a good working environment and comply with the regulatory requirements regarding working environment. This consists of the physical and psychological working environment, including heating, ventilation, air conditioning and air circulation and exhaust systems, as well as office furniture and equipment design and functionality, and other general health and safety systems, including control of the facility. We are from time to time subject to inspections by the Danish Working Environment Authority for compliance with the Danish Working Environment Act.

Facilities

Our corporate headquarters are located at Østergade 24A, 1st Floor, 1100 Copenhagen K, Denmark where we lease approximately 2,400 square feet of office space from Nordic Biotech Advisors ApS, an affiliate of certain of our principal shareholders, for administrative activities. In 2016, we paid DKK 574,000 (approximately $85,000), including value added tax, or VAT, for such premises. Forward Pharma FA ApS, our wholly owned Danish subsidiary, is also located at Østergade 24A, 1st Floor, 1100 Copenhagen K, Denmark. For more information, see "Related Party Transactions—Leased Premises."

Forward Pharma GmbH, our wholly owned German subsidiary, has approximately 700 square feet of office space for administrative and operational activities in Leipzig, Germany. In 2016, we paid €25,000 (approximately $28,000) for such premises (excluding fees paid for electricity and cleaning fees).

Forward Pharma USA, LLC, our wholly owned U.S. subsidiary, is located in Hawthorne, New York and has office space of approximately 450 square feet. Our lease payments for 2016 for these premises were $28,000.

The Company's long-term office lease commitments are not material.

Employees

As of March 31, 2017, we had 12 employees. At each date shown, we had the following employees, broken out by department and geography:

	At December 31,			At March 31,
	2014	2015	2016	2017
Function:				
Clinical and regulatory affairs	2	4	3	2
Engineering and production	1	3	3	3
Management and administration	6	7	7	7
Total	9	14	13	12
Geography:				
Germany	4	6	4	4
Denmark	2	5	6	5
United States	3	3	3	3
Total	9	14	13	12

None of our employees is represented by a labor union or covered under a collective bargaining agreement, and we have never experienced any work stoppages.

All other operational tasks are outsourced to consultant experts, such as formulation and quality assurance/cGMP experts, or consulting service companies, such as regulatory, patent and legal experts. We engage approximately 25 individuals and firms as consultants and experts.

As a result of entering into the License Agreement, our development of a DMF Formulation will currently be limited to finishing the research and development work that was in process prior to the effective date of the License Agreement and we have announced plans to pursue an organizational realignment to reduce personnel and operating expenses by mid-year 2017. This activity is currently ongoing.

In the U.S., our activities and personnel are primarily focused on U.S. public company legal and accounting reporting and compliance, investor relations and related administrative functions to support Forward Pharma A/S.

Insurance

We maintain all insurance coverage required under applicable law, including in relation to our research, pre-clinical and clinical development. In the future, unless and until Biogen obtains an exclusive license, we may be required to obtain additional insurance to cover potential product liability and other risks which are inherent in the manufacturing, marketing and the commercialization and use of drugs. There can be no assurance that such insurance will be available on commercially reasonable terms or at all.

We believe that we currently maintain appropriate insurance coverage, and that our current insurance coverage is in line with insurance coverage for comparable companies.

Legal Proceedings

We may, from time to time, become involved in legal proceedings in the ordinary course of business. We have not been a party to or paid any fees or damages in connection with any litigation, including any of our patent opposition actions pending before the EPO, that has had a material adverse effect on our business or financial position. On November 18, 2014, we filed a lawsuit against Biogen Idec GmbH, Biogen Idec International GmbH and Biogen Idec Ltd. in the Regional Court in Dusseldorf, alleging infringement of our German Utility Model DE 20 2005 022 112 due to Biogen's marketing of Tecfidera® in Germany. The case was expanded on May 26, 2015, to include infringement of our European patent EP2801355. On July 15, 2015, Biogen initiated cancellation proceedings against Utility Model DE 20 2005 022 112 before the German Patent and Trademark Office. Pursuant to the License Agreement, we agreed to withdraw with prejudice and no right to refile the litigation related to our German Utility Model DE 20 2005 022 112 and European patent EP2801355. Biogen has also requested the withdrawal of the Utility Model cancellation action.

Opposition proceedings against three of our European patents are currently pending and we are involved in the Opposition Proceeding and the Interference Proceeding. There can be no assurance that these patent proceedings or other future legal proceedings will not have a material adverse effect on our financial position. See "Risk Factors—Risks Related to Our Business and Industry—There can be no assurance that the Interference Proceeding between our U.S. Patent Application No. 11/576,871 and Biogen's U.S. Patent No. 8,399,514 will ultimately result in judgment against Biogen and the cancellation of its patent claims. In addition, there can be no assurance that any claims of our U.S. Patent Application No. 11/576,871 will ever issue in a patent or be royalty bearing under the License Agreement."

C. Organizational Structure

The registrant corporation, Forward Pharma A/S, has three wholly owned subsidiaries, Forward Pharma GmbH, our subsidiary in Germany, Forward Pharma USA, LLC, our subsidiary in the U.S., and Forward Pharma FA ApS, our subsidiary in Denmark. All of our operations are conducted within Forward Pharma A/S or one of our subsidiaries.

D. Property, Plant and Equipment

See "—B. Business Overview—Facilities" for a description of our leased premises. Our equipment includes computers, office equipment, furniture and manufacturing equipment with a net book value at December 31, 2016 and 2015, of $268,000 and $352,000, respectively. Our manufacturing equipment was acquired in 2015, and is owned by the Company and placed in service for the use by a Company vendor who has been providing contract manufacturing services to the Company. The net book value of our manufacturing equipment at December 31, 2016 was $248,000. None of our equipment is leased and there are no liens or encumbrances on our equipment.

We currently do not have any material commitments to acquire tangible fixed assets; however, it is possible that if we reinitiate the development of a DMF Formulation for sale in the U.S. under a co-exclusive license with Biogen or we determine in the future to develop other DMF-containing formulations and products, including generics, consistent with the terms of the License Agreement, we may need to acquire additional manufacturing equipment that would be placed in service at a contract manufacture's facility to be used on our behalf to manufacture tablets for such DMF Formulation. It is uncertain at this time what, if any, manufacturing equipment we may need to acquire. The timing and amount of any manufacturing equipment purchases we make in the future will be determined based on the terms and conditions of any long-term supply contracts we may enter into with our contract manufacturers. We currently do not have any long-term supply agreements with our vendors.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with the information under "Selected Financial Information" and our audited consolidated financial statements, including the notes thereto, included in this Annual Report. The following discussion is based on our consolidated financial information prepared in accordance with IFRS as issued by the IASB, which might differ in material respects from generally accepted accounting principles in other jurisdictions. The following discussion includes forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including but not limited to those described under "Risk Factors" and elsewhere in this Annual Report.

A. Operating Results Overview

Overview

Forward Pharma A/S is a Danish biopharmaceutical company that was founded in 2005 to advance unique formulations and dosing regimens of DMF, an immunomodulator, as a therapeutic to improve the health of patients with immune disorders, including MS. We are a company with a limited number of employees and outsource the majority of our activities to external consultants and suppliers. We are comprised of a Danish incorporated parent company, Forward Pharma A/S, a wholly owned subsidiary incorporated in Germany, Forward Pharma GmbH, a wholly owned subsidiary formed in the state of Delaware, Forward Pharma USA, LLC, and a wholly owned subsidiary organized in Denmark, Forward Pharma FA ApS. As discussed in more detail elsewhere herein, the Company entered into the License Agreement with Biogen that became effective on February 1, 2017. Prior to entering into the License Agreement, the Company was actively developing FP187, a proprietary formulation of DMF, for the

treatment of MS. As a result of entering into the License Agreement, the future development and sale by us of a DMF Formulation is uncertain at this time and will be determined based on the outcome of matters discussed further below. Under certain conditions, the Company may decide to reinitiate the development of FP187, or initiate the development of another DMF Formulation; currently, development of a DMF Formulation for the U.S. market will be limited to finishing the research and development work that was in process prior to the effective date of the License Agreement.

The Company announced, on March 1, 2017, plans to finish its remaining research and development efforts and pursue an organizational realignment to reduce personnel and operating expenses by mid-year 2017.

Settlement and License Agreement

On February 1, 2017, our License Agreement with Biogen and certain additional parties became effective. The License Agreement provides Biogen with a co-exclusive license in the U.S., and an exclusive license outside the U.S., to the Company's intellectual property effective as of February 9, 2017. Biogen also is required, if certain conditions are met within the time period set forth in the License Agreement, including the termination or expiration of any waiting period under the HSR Act, to obtain an exclusive license to the Company's intellectual property in the U.S.

In accordance with the License Agreement, Biogen paid the Company the Non-refundable Fee and could be obligated to pay the Company royalties in the future subject to the outcome of certain matters discussed below.

The License Agreement does not resolve the Interference Proceeding or the Opposition Proceeding. The Company and Biogen intend to permit the PTAB and the Federal Circuit, as applicable, and the EPO, and the Technical Board of Appeal and the Enlarged Board of Appeal, as applicable, to make final determinations in the proceedings before them. Only if the Company is successful in the Interference Proceeding and/or the Opposition Proceeding will it be eligible to receive royalties starting as early as 2021 based on Biogen's net sales of DMF-containing products indicated for treating MS as defined in the License Agreement, provided that other conditions of the License Agreement are satisfied within the time period set forth in the License Agreement, including the absence of legal restraints and termination or expiration of any required waiting period under the HSR Act.

If the Company is successful in the Interference Proceeding (i.e., the Company obtains, as a result of the Interference Proceeding, and any appeals therefrom to the Federal Circuit (including *en banc* review), a patent with a claim covering oral treatment of MS with 480 mg per day of DMF), and if Biogen obtains an exclusive license in the U.S., the Company may be eligible beginning on January 1, 2021 to collect a 10% royalty (increasing to 20% from January 1, 2029) until the earlier of the expiration or invalidation of the patents defined in the License Agreement, on Biogen's net sales in the U.S. of DMF-containing products indicated for treating MS that, but for the rights granted under the License Agreement, would infringe a Company patent, provided that other conditions of the License Agreement are satisfied. Among the conditions that needs to be satisfied for any royalty to be payable by Biogen to the Company is the absence of generic entry having a particular impact as defined in the License Agreement. If Biogen obtains an exclusive license in the U.S., we would likely permanently discontinue development of a DMF Formulation.

If the Company is successful in the Interference Proceeding, but certain conditions are not met in the U.S., including if restraints are placed on Biogen as a result of the process under the HSR Act, and if Biogen does not obtain an exclusive license, the Company could reinitiate the development of a DMF Formulation for sale in the U.S. under a co-exclusive license with Biogen, which the Company may, on one occasion only, assign to a single third party. Under the co-exclusive license, the Company would be eligible beginning on January 1, 2023 to collect royalties of 1% on Biogen's net sales in the

U.S. of DMF-containing products indicated for treating MS that, but for the rights granted under the License Agreement, would infringe a Company patent, provided that other conditions of the License Agreement are satisfied. Among the conditions that needs to be satisfied for any royalty to be payable by Biogen to the Company is the absence of generic entry having a particular impact as defined in the License Agreement. If the Company is unsuccessful in the Interference Proceeding after any appeals, the Company would not be entitled to future royalties on Biogen's net sales in the U.S. Moreover, if Biogen prevails in the Interference Proceeding and IPR, after any appeals to the Federal Circuit, we may be prevented from commercializing our lead product candidate, FP187, for MS in the U.S. at a 480 mg per day dose. Were this to occur, we would review opportunities to develop other DMF-containing formulations and products, including generics, consistent with the terms of the License Agreement. If we are unable to commercialize FP187 or any other product for sale in the U.S., we would be unable to generate any revenue from such a product.

If the Company is successful in the Opposition Proceeding (i.e., the Company obtains, as a result of the Opposition Proceeding, and any appeals therefrom, a patent with a claim covering oral treatment of MS with 480 mg per day of DMF), it would be eligible beginning on January 1, 2021 to collect a 10% royalty (increasing to 20% from January 1, 2029) until the earlier of the expiration or invalidation of the patents defined in the License Agreement, on a country-by-country basis on Biogen's net sales outside the U.S. of DMF-containing products indicated for treating MS that, but for the rights granted under the License Agreement, would infringe a Company patent, provided that other conditions of the License Agreement are satisfied. Among the conditions that needs to be satisfied for any royalty to be payable by Biogen to the Company is the absence of generic entry in a particular country having a particular impact as defined in the License Agreement. If the Company is unsuccessful in the Opposition Proceeding, the Company would not be entitled to future royalties on Biogen's net sales outside the U.S.

On March 31, 2017, the PTAB issued a decision in the Interference Proceeding in favor of Biogen. The PTAB ruled that the claims of the '871 application are not patentable due to a lack of adequate written description. The Company intends to appeal the decision to the Federal Circuit.

Under the terms of the License Agreement, the Company has also agreed to use its commercially reasonable efforts to effect a corporate restructuring.

Subject to confirmations from the Danish tax authority, or SKAT, and the Danish Business Authority that the following transactions would be tax-exempt and permissible under Danish law, the Company will effect a multistep reorganization that would result in the following (in order of occurrence):

- Transfer of all of the Company's assets and liabilities to a newly created, wholly owned subsidiary of the Company (organized as a Danish limited liability company) in the form of a tax-exempt business contribution, less any cash in excess of the amount necessary for funding operations of the newly created subsidiary;

- Demerger of the newly created subsidiary into two Danish limited liability companies, the first of which, or Sub 1, would hold all rights to the Company's intellectual property and be responsible for the protection and maintenance of the Company's U.S. intellectual property and EP'355 patent, and the second of which, or Sub 2, will hold all other assets and liabilities of the Company (including payment rights under the License Agreement and the liability to fund the protection and maintenance of the U.S. intellectual property and EP'355 to the extent set forth in the License Agreement);

- Sale by the Company of all issued and outstanding shares of Sub 1 at fair market value (as determined by a valuation report prepared by an auditor mutually selected by the Company and Biogen) to a foundation created by the Company, which foundation would become the indirect

holder of Sub 1 (through a newly created, wholly owned subsidiary of the foundation). The foundation would be organized to qualify for benefits under the U.S.-Danish income tax treaty and its board would consist of five directors, three of whom would be independent directors mutually selected by the Company and Biogen, with the Company and Biogen each having the right to select one non-independent director. All foundation actions would require unanimous approval of the foundation's board.

In addition, following the restructuring, in the event Sub 1 materially breaches its obligations under the License Agreement, Biogen has a right to purchase all of the issued and outstanding shares of Sub 1 at a price corresponding to the intrinsic value of Sub 1 based on the most recent annual report for Sub 1 at the time of exercise. In addition, Biogen shall be granted a pledge of all of the issued and outstanding shares of Sub 1 in favor of Biogen as security for fulfilment of the purchase right.

If Danish tax and business authorities do not approve the restructuring or determine that it is not tax-exempt, the Company will, at Biogen's election, create a wholly owned subsidiary of the Company as a Danish partnership limited by shares, or a P/S Sub, that would be structured in a manner that would enable payments to the P/S Sub to qualify for benefits under the U.S.-Danish income tax treaty. The Company would contribute its intellectual property to the P/S Sub by way of a tax-exempt business contribution and would grant Biogen a pledge in all issued and outstanding shares of the P/S Sub to secure Biogen's rights under the License Agreement. Additionally, if prior to the sale of Sub 1 to the foundation, the Company and Biogen are informed (i) by the Danish tax authorities that either of the steps preceding such sale (as summarized above) will not be approved as tax-exempt or will be only be approved as tax-exempt subject to the satisfaction of certain conditions, or (ii) by the Danish business authority that such sale or the transactions contemplated to follow such sale (as summarized above) cannot be consummated, then such sale and transactions will be automatically abandoned (unless, in the case of (ii), where such sale and transactions will only be abandoned upon Biogen's election) and, in lieu of such sale and transactions, Biogen can elect to receive a pledge of all of the issued and outstanding shares in Sub 1 to secure Sub 1's obligations under the License Agreement, purchase 50% of the issued and outstanding shares in Sub 1 at fair market value (as determined by a valuation report prepared by an auditor mutually selected by the Company and Biogen) or require the Company to consummate the P/S Sub structure described in the first two sentences of this paragraph.

Trend Information

We do not currently have any commercialized products on the market. As a result of entering into the License Agreement, the future development and sale of a DMF Formulation in the U.S. is uncertain at this time. We expect any trends in the biopharmaceutical market to have a direct impact on our business, including, in particular, trends that effect the market for or price of Tecfidera®.

Over the past few years, there has been increasing pressure to reduce drug prices as a consequence of political initiatives and regulations aiming to curb continuous increases in healthcare spending. We expect this trend to continue in the years ahead and accordingly any revenue we may earn in the future will likely be negatively affected by such political initiatives and regulations. However, we believe spending in the healthcare industry, as compared to many other industries, is less linked to economic trends. Furthermore, while falling drug prices in the mature drug markets such as the U.S. and the EU are having a negative impact on general sales growth levels for the biopharmaceutical industry as a whole in those markets, we expect such sales growth to continue at higher levels in emerging markets. We also expect that demographic developments, increased treatment penetration, especially in newly established drug markets, and better diagnostic tools to enable the tailoring of drugs to specific needs, will result in continuing growth in overall global drug sales.

Financial Operations Overview

Revenue

Prior to entering into the License Agreement, we had not generated any operating revenue.

Research and Development Costs

Historical research and development costs relate primarily to the development of FP187 for the treatment of psoriasis and MS, and they consist primarily of:

- salaries for research and development staff and fees to consultants, as well as expenses incurred by all such personnel; expenses related to share-based compensation to employees and others; the costs of our extensive use of external third-party expert and advisory firms and personnel (e.g., consultants for the relapsing forms of MS indication) for our product development efforts; and the outsourcing of specific development tasks to CMOs;

- costs for formulation, development and production of FP187 tablets in new doses for use in clinical trials; and production of DMF by our current external CMOs, including the costs of testing related to increasing the batch sizes and manufacturing capability of our CMOs in order for us to be able to scale to anticipated next level or later commercial production levels and the costs of limited initial testing of new tablet strengths and forms for the treatment of relapsing forms of MS;

- fees and other costs paid to clinical research organizations, or CROs, in connection with pre-clinical testing, formulation and product testing of FP187; and the fees and costs associated with the performance of clinical trials in relapsing forms of MS and psoriasis, that have been outsourced to CROs, in anticipation of planning and running the clinical trials for us, and helping us to gather and maintain all required clinical data for regulatory purposes; and

- fees and expenses incurred to prepare and file patent applications and other intellectual property claims, responding to patent office actions, and conducting patent opposition and interference proceedings and other activities aimed at enhancing and protecting our intellectual property estate provided such fees and expenses relate to intellectual property-related activities that reside within the USPTO, EPO or other country-specific patent registry offices. If expenses incurred are associated with the Company's intellectual property-related activities carried out in the courts to protect, defend and enforce granted patent rights against third parties (not residing within the USPTO, EPO or other country-specific patent registry offices) they are classified within general and administrative expenses.

In 2016, 2015 and 2014, we incurred research and development expenses of approximately $41.1 million, $33.7 million and $10.5 million respectively. Our research and development costs vary substantially from period to period based on numerous factors, many of which are not within the control of the Company. We expect that our research and development costs will decrease in the future as we pursue an organizational realignment to reduce personnel and operating expenses. If Biogen does not obtain an exclusive license under the License Agreement and we reinitiate the development of a DMF Formulation for sale in the U.S. under a co-exclusive license with Biogen, either on our own or through any assignee of our U.S. co-exclusive license rights, or we determine in the future to develop other DMF-containing formulations and products, including generics, consistent with the terms of the License Agreement, we may incur increased research and development costs. At this time, we cannot estimate whether or when we will reinitiate development of a DMF Formulation and, if reinitiated, the level of expenditure that will be required to fully develop and commercialize a DMF Formulation.

At this time, it is uncertain whether we would proceed either on our own or through any assignee of our U.S. co-exclusive license rights, or not at all, with the development of a DMF Formulation

consistent with the terms of the License Agreement and what the outcome of any such development might be. Consequently, we cannot reasonably estimate the nature, timing and estimated costs of the effort that would be necessary to finish the development of, or the period in which we may begin to recognize revenues from, any DMF Formulation. This is due to numerous risks and uncertainties associated with developing drugs, any of which could result in a significant change in the costs and timing associated with the development of a DMF Formulation.

In addition, the nature, timing and amount of legal costs we incur to protect, defend and enforce our intellectual property rights cannot be estimated and will affect the magnitude and timing of costs to develop a DMF Formulation should we do so or to receive royalties, if any, under the License Agreement. If we are unable to protect, defend or enforce our intellectual property rights, it could delay or prohibit our ability to commercialize a DMF Formulation and/or negatively affect our ability to obtain and maintain royalty-bearing patents.

General and Administrative Costs

Our general and administrative costs consist primarily of:

- salaries and expenses for employees other than research and development staff, as well as expenses related to share-based compensation awards granted to certain employees;
- professional fees for auditors, legal counsel and other consulting expenses not related to research and development activities;
- cost of facilities, communication and office expenses;
- investor relations and other costs associated with our public listing of our ADSs on NASDAQ;
- information technology related expenses; and
- expenses associated with intellectual property-related activities carried out in the courts to protect, defend and enforce patent rights granted against third parties (not residing within the USPTO, EPO or other country-specific patent registry offices).

As a public company, we will incur costs associated with operating as a public company. This includes costs related to external and internal personnel and systems related to our financial reporting processes and internal controls in Germany, the U.S. and Denmark. Other costs related to our being a public company will include expenses related to personnel we will need to retain in connection with both administrative and operational activities, legal and compliance fees, accounting and audit fees, liability insurance premiums, and costs related to general investor relations. In addition, general and administrative expenses will include costs associated with granting share-based compensation awards to key management personnel and other employees and consultants.

Non-operating income and (expenses)

Components of non-operating income and (expenses) consisted primarily of:

- fair value gains/losses on net settlement obligations related to shareholder warrants and convertible loans;
- gains/losses from changes in foreign exchange rates related to certain financial assets and liabilities;
- interest income earned on available-for-sale financial assets; and
- interest expense on debt obligations (consisting of a convertible debt instruments, that have converted into equity).

Results of Operations

Comparison of the years ended December 31, 2016 and 2015

	Year ended December 31,		
	2016	2015	Change (increase) decrease
	(USD in thousands)		
Total revenue	—	—	—
Research and development costs	(41,052)	(33,727)	(7,325)
General and administrative costs	(14,382)	(15,852)	1,470
Operating loss	(55,434)	(49,579)	(5,855)
Exchange rate gains (losses)	598	11,933	(11,335)
Interest income	389	438	(49)
Other finance costs (net)	(92)	(132)	40
Net loss before tax	(54,539)	(37,340)	(17,199)
Income tax benefit	21,203	336	20,867
Net loss	(33,336)	(37,004)	3,668

Research and development costs for the years ended December 31, 2016 and 2015

Research and development costs for the years ended December 31, 2016 and 2015 were $41.1 million and $33.7 million, respectively. The increase in research and development costs for the year ended December 31, 2016 of $7.3 million was primarily related to increased costs to register and safeguard our intellectual property and higher share-based compensation. These increases were partially offset by a reduction in the use of contract manufacturers and clinical research organizations during our evaluation of options for an alternative Phase 3 clinical plan for FP187 in relapsing forms of MS. Fees to patent advisors and other patent-related costs increased from $8.9 million in the year ended December 31, 2015 to $16.3 million in the year ended December 31, 2016. Fees to patent advisors and other patent-related costs include the cost to conduct the Interference Proceeding. Share-based compensation increased from $6.0 million in the year ended December 31, 2015 to $8.0 million in the year ended December 31, 2016 as the result of the vesting of equity awards granted during the years ended December 31, 2016 and 2015 to employees and consultants involved in research and development activities. Our research and development costs overall are estimated to decrease in 2017 compared to 2016 as our development efforts of FP187 will be limited to finishing the research and development work that was in process prior to the effective date of the License Agreement. We currently estimate that unless we decide to reinitiate development of a DMF Formulation in the U.S. under a co-exclusive license agreement with Biogen or we determine in the future to develop other DMF-containing formulations and products, including generics, consistent with the terms of the License Agreement, our research development costs will remain below historical levels. If we decide to reinitiate development of a DMF Formulation for sale in the U.S., our research and development expenses will likely increase to or exceed historic levels. At this time, we cannot estimate whether or when we will reinitiate development of a DMF Formulation and, if reinitiated, the level of expenditure that will be required to fully develop and commercialize a DMF Formulation (whether on our own or through any assignee of our U.S. co-exclusive license rights).

General and administrative costs for the years ended December 31, 2016 and 2015

General and administrative costs for the year ended December 31, 2016 and 2015 were $14.4 million and $15.9 million, respectively. The decrease in general and administrative costs in the year ended December 31, 2016 of $1.5 million resulted principally from a reduction in share-based

compensation from $7.5 million in the year ended December 31, 2015 to $6.3 million in the year ended December 31, 2016 in connection with the vesting of equity awards issued during the years ended December 31, 2015 and 2014 that included graded vesting provisions resulting in expense recognition that decreases in the latter years of vesting. We expect that our general and administrative costs will remain at current levels; however, expenses associated with protecting, defending and enforcing our patent rights that occur in the courts could increase in future periods. Whether we experience increased costs in the future to protect, defend and enforce our intellectual property rights and the amount of any such increase, which could be material, cannot be estimated at this time.

Non-operating income (expense) for the years ended December 31, 2016 and 2015

During the years ended December 31, 2016 and 2015, the Company recognized foreign exchange gains of $598,000 and $11.9 million respectively. The foreign exchange gain in each of the years resulted primarily from Forward Pharma A/S (the "Parent") holding cash and available-for-sale financial assets denominated in U.S. Dollars, or USD, while the Parent's functional currency is the Danish Kroner, or DKK. The gain is the direct result of the strengthening of the USD compared to the DKK during the year that is reflected as a non-cash foreign exchange gain when the cash and available-for-sale financial assets denominated USD are converted to DKK at year end.

During the years ended December 31, 2016 and 2015, the Company recognized interest income from available-for-sale financial assets of $389,000 and $438,000, respectively.

Income tax benefit for the years ended December 31, 2016 and 2015

During the years ended December 31, 2016 and 2015, the Company recognized tax benefits of $21.2 million and $336,000, respectively. The income tax benefit for the year ended December 31, 2016 resulted from Management concluding that it was probable the Company would have taxable profits in 2017 thereby enabling the Company to recognize certain deferred tax assets that historically did not meet the criteria for recognition. In reaching the conclusion to recognize deferred tax assets at December 31, 2016, numerous judgments were made including the likelihood and magnitude of the Company's estimated taxable income for the year ending December 31, 2017 considering the License Agreement. The deferred tax benefit recognized during the year ended December 31, 2016 was primarily related to net operating loss carryforwards that will be utilized in 2017. Taxable profits are not assured beyond the year ending December 31, 2017; therefore, temporary differences that will be available to offset taxable profits after December 31, 2017 do not meet the criteria for financial statement recognition and therefore the related deferred tax assets have not been recognized. The income tax benefit for the year ended December 31, 2015 includes $158,000 that resulted from the Company's participation in a joint taxation scheme with Tech Growth whereby the Company recorded a tax benefit for Tech Growth's utilization of the Company's tax losses at the applicable corporate tax rate to the extent that the tax losses reduced the taxable income of the joint taxation group. The balance of the income tax benefit recognized in 2015, resulted from an application made with the Danish tax authorities whereby the Danish tax authorities approved a refundable tax credit of $178,000 related to the Company's research and development efforts after reducing the Company's tax loss carry forward. The joint taxation with Tech Growth ceased on January 1, 2016, and, consequently, the Company will not receive any tax benefit from losses utilized in the joint taxation scheme in future periods. See Note 2.5 in the accompanying financial statements for additional information.

Comparison of the years ended December 31, 2015 and 2014

	Year ended December 31,		
	2015	2014	Change (increase) decrease
	(USD in thousands)		
Total revenue	—	—	—
Research and development costs	(33,727)	(10,547)	(23,180)
General and administrative costs	(15,852)	(9,154)	(6,698)
Operating loss	(49,579)	(19,701)	(29,878)
Fair value adjustment to net settlement obligations to shareholder warrants	—	(968)	968
Fair value adjustment to convertible loans	—	(3,823)	3,823
Exchange rate gains (losses)	11,933	5,589	6,344
Interest income	438	63	375
Interest expense	—	(416)	416
Other finance costs (net)	(132)	(10)	(122)
Net loss before tax	(37,340)	(19,266)	(18,074)
Income tax benefit	336	250	86
Net loss	(37,004)	(19,016)	(17,988)

Research and development costs for the years ended December 31, 2015 and 2014

Research and development related costs for the years ended December 31, 2015 and 2014 were $33.7 million and $10.5 million, respectively. The increase in research and development costs in 2015 of $23.2 million was largely attributable to an increase in our clinical and pre-clinical activities, costs for which rose from $4.0 million in 2014 to $17.1 million in 2015. Clinical and pre-clinical costs increased during the year ended December 31, 2015 as we expanded our development activities to include several pre-clinical studies, including long-term carcinogenicity studies, and Phase 1 trials as well as beginning preparations for our planned Phase 3 trial of FP187 in RRMS. These increased costs were principally related to services provided by clinical research organizations who collaborate with us to plan, prepare and conduct clinical trials on our behalf and contract manufacturers that are responsible for supplying DMF as well as the formulation and finishing of FP187 tablets to be used for research purposes. In addition, expenses for patent advisers and other patent-related costs incurred to register our intellectual property and to conduct the Interference Proceeding, as well as the Opposition Proceeding, increased from $4.7 million in 2014 to $8.9 million in 2015. Share based compensation increased in 2015 to $6.0 million from $1.8 million in 2014 as the result of equity awards granted or modified during the year ended December 31, 2015 to employees and consultants involved in research and development activities.

General and administrative costs for the years ended December 31, 2015 and 2014

General and administrative costs for the years ended December 31, 2015 and 2014 were $15.9 million and $9.2 million, respectively. The increase in general and administrative costs in 2015 of $6.7 million resulted from an increase in share-based compensation from $4.2 million in 2014 to $7.5 million in 2015 in connection with equity awards issued or modified, an increase in legal fees incurred in 2015 in connection with patent litigation against Biogen of $602,000 as well as an increase in costs during the year ended December 31, 2015 compared to the year ended December 31, 2014 associated with becoming a publicly listed company in the U.S. including insurance, investor relations, legal and accounting costs. Offsetting the 2015 increases were costs we incurred during the year ended

December 31, 2014 related to preparing for our IPO that totaled $2.0 million. No IPO costs were incurred in 2015.

Non-operating income (expense) for the years ended December, 2015 and 2014

During the years ended December 31, 2015 and 2014, the Company recognized a foreign exchange gain of $11.9 million and $5.6 million respectively. The foreign exchange gain in each of the years resulted primarily from the Parent holding cash and available-for-sale financial assets denominated in USD and British Pounds, or GBP, while the Parent's functional currency is the DKK. The gain is the direct result of the strengthening of the USD and GBP compared to the DKK during the period that is reflected as a non-cash foreign exchange gain when USD and GBP cash and available-for-sale financial assets are converted to DKK at year end.

The fair value adjustment to the settlement obligation of our shareholder warrants was a loss of $1 million for the year ended December 31, 2014. The adjustment in the fair value of the shareholder warrants was the result of the underlying value of the Company's shares increasing in value from December 31, 2013 to March 15, 2014, the settlement date. During the year ended December 31, 2015, the Company did not have outstanding shareholder warrants that were required to be carried at fair value and accordingly there is no corresponding gain or loss to be recorded during 2015.

During August and September 2014, the Company borrowed under two convertible loans €8.35 million and $10 million, respectively (collectively the "Loans"). The Loans were carried at fair value and the fair value adjustment of the Loans from the date of issuance to the date the Loans converted to ordinary shares was $3.8 million. The terms of the Loans required automatic conversion to ordinary shares in connection with our IPO. Accordingly, at the time of the Company's IPO in October 2014, the Loans converted into 1.2 million ordinary shares. During 2015, the Company did not have outstanding debt.

During the years ended December 31, 2015 and 2014, the Company recognized interest income from available-for-sale financial assets of $438,000 and $63,000 respectively. The increase in interest income in 2015 of $375,000 was the result of holding the available-for-sale financial assets for the full year while in 2014 the available-for-sale financial assets were held for only two months.

Interest expense recognized on outstanding interest-bearing debt, including the Loans, for the year ended December 31, 2014 totaled $416,000. The Company had no interest-bearing debt outstanding during the year ended December 31, 2015.

Income tax benefit for the years ended December 31, 2015 and 2014

During the years ended December 31, 2015 and 2014, the Company accrued a tax benefit of $336,000 and $250,000, respectively. The income tax benefit for the years ended December 31, 2015 and 2014 is the result of the Company's participation in a joint taxation scheme with Tech Growth of $158,000 and $250,000, respectively. Under the scheme, the Company recorded a tax benefit for Tech Growth's utilization of the Company's tax losses at the applicable corporate tax rate to the extent that the tax losses reduced the taxable income of the joint taxation group. Also included in the tax benefit for the year ended December 31, 2015 was the favorable result from an application made in 2015 with the Danish tax authorities whereby the Danish tax authorities approved a refundable tax credit of $178,000 related to the Company's research and development efforts after reducing the Company's tax loss carry forward. See Note 2.5 in the accompanying financial statements for additional information.

Government, Economic, Fiscal, Monetary or Political Initiatives That May Materially Affect Our Operations

We have not identified any current government, economic, fiscal, monetary or political initiatives that would be expected to materially affect our operations.

Critical Accounting Policies

Our management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which we have prepared in accordance with IFRS as issued by the IASB. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the expenses during the reporting periods. Actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are more fully described in the notes to our audited consolidated financial statements appearing elsewhere in this Annual Report, we believe that the following accounting policies are the most critical to aid you in understanding and evaluating our financial condition and results of operations.

Research and development costs

Research expenses are recognized when expenses are incurred. Costs incurred on development projects are recognized as intangible assets as of the date that it can be established that it is probable that we will recognize future economic benefits attributable to the relevant project, considering factors including the technological and commercial feasibility of the project. Specifically, intangible assets arising from our development projects are recognized on our balance sheet if all of the following criteria are met:

- the development project is clearly defined and identifiable;
- the attributable costs can be measured reliably during the development period;
- the technological feasibility, adequate resources to complete and a market for the product or an internal use of the product can be demonstrated; and
- management has the intent to produce and market the product or otherwise utilize it.

Development costs incurred are capitalized as of the date when these criteria are met. In other words, until such criteria are met, development costs incurred are recognized as an expense.

A development project involves a single product candidate undergoing a high number of tests to illustrate its safety profile and the effect on humans prior to obtaining the necessary final approval of the product from the appropriate authorities. The future economic benefits associated with our individual development projects, if any, are dependent on obtaining such approval. Considering the significant risk and duration of the development period related to the development of biopharmaceutical products, management has concluded that the future economic benefits associated with FP187 cannot be estimated with sufficient certainty until research and development efforts are finalized and the necessary regulatory final approvals have been obtained. Further, as a result of entering into the License Agreement, it is uncertain whether we will continue to develop a DMF Formulation. Accordingly, given the current stage of the development of FP187, no development expenditures have yet been capitalized.

Intellectual property-related costs for patents are included in expenses for our research and development projects. Therefore, associated registration costs for patents are expensed when incurred

as long as the research and development project concerned does not meet the criteria for capitalization.

Share-based compensation

The fair value of equity awards (the share-based compensation arrangements we have historically used have included deferred shares, share options and warrants) issued to our employees, board members, consultants and non-employee consultants in connection with their services provided to us are recognized by us as compensation expenses over the applicable service period which is also the vesting period.

The Company determines the initial fair value and subsequent accounting for equity awards granted to the Company's employees, consultants and directors using an option pricing model (Black-Scholes) that requires management to use many subjective assumptions. The subjective nature of the assumptions requires management to use significant judgment, and small changes in any individual assumption or in combination with other assumptions may yield significantly different results. The most significant assumptions included the following: the expected period an equity award will be outstanding and the peer group we use to determine volatility. Before the Company's ADSs were quoted on an active market, the underlying fair value share price used to value equity awards was determined by applying a discounted cash flow, or DCF, model based on estimated long-term future cash flows that are inherently uncertain. Subsequent to the Company's IPO, determining the initial fair value and subsequent accounting for equity awards will continue to require significant judgment regarding expected life and volatility of an equity award; however, as a public listed company there is objective evidence of the fair value of an ordinary share on the date an equity award is granted and therefore DCF valuations are no longer used. As a public listed entity, in the future after there has been an extended period of historical trading activity of the Company's ADSs, the Company will determine the fair value of an equity award using an option valuation model that incorporates the historical trading attributes of the Company's ADSs including the volatility and the expected life of an equity award.

Income taxes

We are subject to income taxes in Denmark and Germany. Significant judgment is required in determining the timing of recognition of current taxes payable as well as deferred tax assets and liabilities. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. The Company's Danish, German and U.S. tax returns are subject to periodic audit by the local tax authorities. Such audits could result in the tax authorities disagreeing with the tax filing positions taken by the Company that would expose the Company to additional taxes being assessed, including interest and penalties, that could be material. There are numerous transactions between Forward Pharma A/S, Forward Pharma GmbH and Forward Pharma USA, LLC where the tax authorities could challenge whether transfer pricing of such transactions were at arm's length. The Company's failure to successfully support arm's length pricing could result in additional taxes being assessed, including interest and penalties, that could be material. As of December 31, 2016, there are no tax audits in process nor has management been notified of any pending tax audit. As of December 31, 2016, the tax years that remain open for audit by the Danish, German and U.S. tax authorities include 2013 through 2016.

We recognize deferred tax assets, including the tax base of tax loss carry forwards, if our management assesses that these taxes can be offset against positive taxable income within a foreseeable future. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable profits together with future tax planning strategies. Such a judgment will be made on an ongoing basis and is based on

historical results of operations, budgets and business plans, including any planned commercial activities. Prior to December 31, 2016, we did not recognize deferred tax assets since we historically have experienced recurring losses and there was uncertainty of future taxable income. However, considering the License Agreement, it became probable at year-end that the Group would have taxable income in 2017 thereby enabling the Group to recognize certain deferred tax assets that historically did not meet the criteria for recognition. In reaching the conclusion to recognize deferred tax assets at December 31, 2016, numerous judgments were made including the close proximity of the date the License Agreement was executed to December 31, 2016 and the magnitude of the Non-refundable Fee compared to the projected total expenses in 2017. The deferred tax benefit recognized during the year ended December 31, 2016 was primarily related to net operating loss carry forwards that will be utilized in 2017. Taxable profits are not assured beyond the year ending December 31, 2017; therefore, temporary differences that will be available to offset taxable profits after December 31, 2017 do not meet the criteria for financial statement recognition and therefore the related deferred tax assets have not been recognized.

As of December 31, 2016, we have unused tax loss carry forwards of $103.2 million ($22.7 million tax effected) in Denmark and $43.1 million ($13.4 million tax effected) in Germany. We currently estimate that tax loss carry forwards of $103.2 million ($22.7 million tax effected) in Denmark and $29.8 million ($9.3 million tax effected) in Germany will be used to offset taxable income in 2017. The tax losses can be carried forward indefinitely in time. For Danish tax purposes, only the first $1.1 million of taxable income in any one year may be fully offset by tax loss carry forwards as income exceeding $1.1 million may only be reduced by 60% by tax loss carry forwards. For German tax purposes, the ability of Forward Pharma GmbH to use tax loss carry forwards in any one year is also limited based on a formula not materially different from the limit used in Denmark.

Forward Pharma A/S is currently subject to joint taxation in Denmark. For more, see "Risk Factors—Risks Related to Danish Law and Our Operations in Denmark." Forward Pharma A/S has historically filed Danish tax returns on a standalone basis; however, since January 2013, Forward Pharma A/S has filed its Danish tax returns as part of a Danish tax group, controlled by Tech Growth Invest ApS, a Danish private limited liability company, or Tech Growth. The joint income taxation with Tech Growth ceased as of January 1, 2016, and the entities included in the joint taxation with Forward Pharma A/S beginning on January 1, 2016 include Forward Pharma FA ApS, (a 100% owned subsidiary of the Company) and NB FP Investment General Partner ApS.

Recent Accounting Pronouncements

Standards effective in 2016:

New standards and amendments to standards and interpretations (collectively "Amendments") were issued by the IASB that became effective during 2016 or subsequent to December 31, 2016. None of the Amendments effective during 2016 had an effect on the Group's financial statements.

Standards issued but not yet effective:

The future adoption of the Amendments that become effective on or after January 1, 2017 are currently not expected to have a material effect on the Group's financial statements; however, as discussed below, the future adoption of IFRS 9 *Financial Instruments* ("IFRS 9"), IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") and/or IFRS 16 *Leases* ("IFRS 16") could have a material effect on the Group's financial statements. Management's current expectation is that Amendments will be adopted by the Group when mandated; however, Management is evaluating whether to adopt IFRS 15 on January 1, 2017.

IFRS 9: This standard addresses the accounting for financial assets and liabilities including their classification and measurement, impairment and hedge accounting. The Group does not anticipate

adopting IFRS 9 before the mandatory effective date of January 1, 2018. The impact on the Group's financial statements of the future adoption of IFRS 9 will be determined based on facts and circumstances that exist at the time of adoption that cannot be predicted currently. The only financial instruments held by the Group at December 31, 2016 that would be affected by IFRS 9 are the available-for-sale financial assets that are currently measured each reporting period at fair value through other comprehensive income. Management's preliminarily position is that the available-for-sale financial assets held at December 31, 2016 would meet the definition under IFRS 9 to be accounted for under the amortized cost category. In reaching this preliminary position, management considered the Group's historic investment activity, current investment policies and intent to not sell the available-for-sale financial assets prior to maturity and believes that the appropriate business model assessment would result in the conclusion that the Group's financial assets are held to collect contractual cash flows. The effect of using amortized cost to account for the Group's available-for-sale financial assets at December 31, 2016 would eliminate the need to carry such assets at fair value resulting in a reversal of cumulative fair value beneficial adjustment of the available-for-sale assets with a corresponding reduction in other components of equity of $218,000. In addition, the benefit reflected in the statement of comprehensive loss for the year ended December 31, 2016 from the change in fair value of the available-for-sale financial assets would be eliminated. The future adoption of IFRS 9 is not expected to have an effect on the Group's reported net loss or cash flows.

IFRS 15: This standard addresses the accounting and disclosure requirements for revenue contracts with customers. The effective date is January 1, 2018. There will be no impact on the Group's consolidated financial statements presented herein upon the future adoption of IFRS 15 as the Group has no revenue from customers. Management is in the process of evaluating the effect the License Agreement will have on the Group's financial statements in the future, including the effects of adopting IFRS 15. Until the evaluation is completed, an estimate of the future effect the License Agreement will have on the Group's financial statements cannot be made.

IFRS 16: This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. IFRS 16 has an effective date of January 1, 2019. The impact on the Group's financial statements from the future adoption of IFRS 16 will be determined based on facts and circumstances that exist at the time of adoption that cannot be predicted currently. As of December 31, 2016, the Group only has leases with terms of less than twelve months and therefore had the adoption of IFRS 16 occurred at December 31, 2016 the effect on the Group's consolidated financial statements would be immaterial. Management's current expectation is that IFRS 16 will be adopted by the Group when mandated.

JOBS Act Exemptions

On April 5, 2012, the JOBS Act was signed into law in the U.S. The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for an emerging growth company. As an emerging growth company, we have elected to take advantage of the following exemptions:

- not providing an auditor attestation report on our internal control over financial reporting; and
- not providing all of the compensation disclosure that is required of non-emerging growth public companies under the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

The JOBS Act permits an emerging growth company such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We are choosing to "opt out" of this provision and, as a result, we are complying with new or revised

accounting standards as required when they are adopted. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

As a result of the receipt of the Non-refundable Fee of $1.25 billion in February 2017, the year ended December 31, 2016 will be the final year the Company qualifies as an emerging growth company under the JOBS Act and receives the benefits from the exemptions noted above. The receipt of the Non-refundable Fee in 2017 will result in revenues exceeding $1.0 billion in annual revenue which is one of the criteria under the JOBS Act for losing emerging growth company status. Accordingly, for the year ending December 31, 2017, the Company will be required to obtain an auditor's attestation report on our internal control over financial reporting and we will need to provide the additional compensation disclosures required under the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

B. Liquidity and Capital Resources

Comparison of the Years ended December 31, 2016 and 2015

The table below summarizes our consolidated statement of cash flows for each of the years ended December 31, 2016 and 2015:

	Year ended December 31,	
	2016	2015
	(USD in thousands)	
Net cash flows used in operating activities	(34,105)	(35,127)
Net cash flows provided by investing activities	41,170	43,030
Net cash flows from financing activities	114	155
Net increase in cash and cash equivalents	7,179	8,058
Net foreign exchange differences	(1,550)	(1,138)
Cash and cash equivalents beginning of year	52,269	45,349
Cash and cash equivalents end of year	57,898	52,269

Net cash flows used in operating activities decreased to $34.1 million in the year ended December 31, 2016, from $35.1 million in the year ended December 31, 2015. The decrease resulted primarily from the favorable effect of changes in working capital offset in part by an increase in operating expenses in connection with the research and development efforts to commercialize FP187 and to secure and protect our intellectual property.

The net cash flows provided by investing activities primarily relates to cash inflows resulting from the maturity of available-for-sale financial assets of $41.2 million and $43.4 million for the years ended December 31, 2016 and 2015, respectively. In addition, there were cash outflows for the purchase of equipment in the years ended December 31, 2016 and 2015 of $31,000 and $382,000, respectively.

The net cash flows from financing activities for the year ended December 31, 2016 were $114,000 and included the receipt of $2,000 in connection with the issuance of 142,000 ordinary shares upon the vesting of deferred shares and the receipt of $112,000 in connection with the exercise of 130,000 warrants. The net cash flows from financing activities for the year ended December 31, 2015 were $155,000 and included the receipt of $2,000 in connection with the issuance of 142,000 ordinary shares upon the vesting of deferred shares and the receipt of $153,000 in connection with the exercise of 216,000 warrants.

Comparison of the Years ended December 31, 2015 and 2014

The table below summarizes our consolidated statement of cash flows for each of the years ended December 31, 2015 and 2014:

	Year ended December 31,	
	2015	2014
	(USD in thousands)	
Net cash flows used in operating activities	(35,127)	(9,460)
Net cash flows provided by (used in) investing activities	43,030	(191,121)
Net cash flows from financing activities	155	237,571
Net increase in cash and cash equivalents	8,058	36,990
Net foreign exchange differences	(1,138)	5,404
Cash and cash equivalents beginning of year	45,349	2,955
Cash and cash equivalents end of year	52,269	45,349

Net cash flows used in operating activities increased to $35.1 million in the year ended December 31, 2015, from $9.5 million in the year ended December 31, 2014, primarily due to an increase in operating expenses in connection with the research and development efforts to commercialize FP187 and to secure and protect our intellectual property.

The net cash flows provided by or (used in) investing activities primarily relate to the cash outflow to purchase available-for-sale financial assets of $191.1 million in 2014 and the cash inflow resulting from the maturity of available-for-sale financial assets of $43.4 million in 2015. In addition, there were cash outflows for the purchase of equipment in the years ended December 31, 2015 and 2014 of $382,000 and $6,000 respectively.

The net cash flows from financing activities for the year ended December 31, 2015 were $155,000 and included the receipt of $2,000 in connection with the issuance of 142,000 ordinary shares upon the vesting of deferred shares and the receipt of $153,000 in connection with the exercise of 216,000 warrants. Net cash flows from financing activities for the year ended December 31, 2014 were $237.6 million and included the net proceeds received from our IPO of $214.3 million and from the issuance of two convertible loans amounting to $21.3 million.

Funding Requirements and Capital Resources

We believe that the cash, cash equivalents and available-for-sale financial assets will enable us to fund our operating expenses and capital expenditure requirements beyond the next 12 months. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect. We have no long-term financial commitments, such as lines of credit or guarantees, which are expected to affect our liquidity, other than an office rental lease, which we consider immaterial. We recently received the Non-refundable Fee in connection with the License Agreement. We are currently evaluating different means to deliver to our shareholders a substantial portion of the Non-refundable Fee, net of taxes and other payment obligations. The amount to be distributed is unknown at this time but we estimate the dividend, distribution, share repurchase or other return of capital will occur during the second quarter of 2017.

Our present and future funding requirements will depend on many factors, including, among other things:

- the timing and amount of any planned dividend, distribution, share repurchase or other return of capital to our shareholders of the net proceeds of the Non-refundable Fee (or any portion thereof);

- the time and costs associated with the completion of our remaining research and development efforts and the implementation of our organizational realignment;
- the outcomes of the Interference Proceeding and Opposition Proceeding;
- our efforts to secure and protect our intellectual property with the objective of obtaining and maintaining royalty-bearing patents;
- whether Biogen can and does obtain an exclusive license to the Company's intellectual property in the U.S.;
- the maintenance of our internal organization and structure needed for a public company, including developing appropriate policies and procedures; and
- costs associated with reinitiating clinical development of a DMF Formulation should we so elect in the event that the License Agreement remains co-exclusive in the U.S.

Capital Expenditures

Our capital expenditures in the past have not been significant and we currently do not have any significant capital expenditures planned for 2017.

C. Research and Development and Patents

See "Item 4. Information on the Company—B. Business Overview" and "Item 5.A. Operating results."

D. Trend Information

See "Item 5.A. Operating results."

E. Off-balance Sheet Arrangements

In 2004, Aditech began developing and filing patents for, among other things, formulations and dosing regimens of DMF. In 2005, we entered into a patent license agreement with Aditech to license this patent family from Aditech. In 2010, we acquired this patent family from Aditech pursuant to a patent transfer agreement that replaced the patent license agreement. Under our agreement with Aditech, we obtained, among other things, Aditech's patents and associated know-how related to formulations and dosing regimens of DMF, subject to both diligence and minimum annual expenditure (€ 1.0 million per year) obligations on our part. In connection with our execution of the License Agreement, we entered into an addendum to the patent transfer agreement with Aditech pursuant to which Aditech agreed to waive its rights to, among other things, terminate the patent transfer agreement (which rights gave Aditech an option to receive back, for no consideration, all of our DMF-related assets in the event of the Company's liquidation or bankruptcy, material breach by the Company of the patent transfer agreement or the Company's failure to meet its obligations with respect to the development and commercialization of the patent rights as set forth in the patent transfer agreement). In addition, the addendum to the patent transfer agreement clarifies the royalties payable to Aditech in connection with any proceeds received by the Company from Biogen under the License Agreement.

F. Tabular Disclosure of Contractual Obligations

Contractual Obligations and Commitments

The table below sets forth our contractual obligations and commercial commitments as of December 31, 2016.

	Payments due by period				
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
	(USD in thousands)				
Non-cancellable contractual obligations*	$ 26,929	—	—	—	$ 26,929
Operating lease obligations	$ 30	$ 8	—	—	$ 38
Total	$ 26,959	$ 8	—	—	$ 26,967

(*) Includes $25 million due Aditech in accordance with an addendum, dated January 17, 2017, to the Patent Transfer Agreement. See Note 5.2 to the financial statements.

Contracts with our venders that allow us to cancel the contract on short notice without financial penalty are excluded from the above table. In addition, the table above does not include amounts that would be payable to Aditech if we collect royalties from Biogen in accordance with the License Agreement. The amount, if any, and timing of potential payments to Aditech cannot be estimated at this time but could be material. See Note 5.2 to the financial statements.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth information regarding our board of directors and senior management. Unless otherwise stated, the business address for our executive officers and directors is Østergade 24A, 1st Floor, 1100 Copenhagen K, Denmark.

Name	Age	Position
Florian Schönharting	48	Chairman
Claus Bo Svendsen	40	Chief Executive Officer
Peder Møller Andersen	65	Chief Operating Officer
Joel Sendek	50	Chief Financial Officer
Rupert Sandbrink	53	Executive Vice President, Multiple Sclerosis/Neurology and Immunology
Andrzej Jan Stano	52	Executive Vice President, Pharmaceutical Development and Production
Thomas Carbone	59	Vice President, Finance and Controller, Forward Pharma USA, LLC
Torsten Goesch	57	Director
Jan G. J. van de Winkel	56	Director
Grant Hellier Lawrence	55	Director
Jakob Mosegaard Larsen	44	Director
Karen Smith	49	Director
Duncan Moore	58	Director

Florian Schönharting, Chairman

Mr. Schönharting is currently the chairman of our board of directors and has served on the board since our incorporation in July 2005. Mr. Schönharting is our co-founder. He has also founded or co-founded several other biopharmaceutical companies, including Genmab A/S, Veloxis A/S (f/k/a Life Cycle Pharma A/S) and Zealand Pharma A/S. Mr. Schönharting has more than 23 years of investment executive experience in public and private equity funds involved in the biopharmaceutical industry. He actively managed BI Healthcare SICAV and BI Bioteknologi SICAV for eight years. Mr. Schönharting currently manages the following funds and certain affiliates of these funds: NB Public Equity K/S, Nordic Biotech K/S, Nordic Biotech Opportunity Fund K/S (NBOF), NB FP Investment I K/S (NBFPI) and NB FP Investment II K/S (NBFPII). Mr. Schönharting is also manager of Tech Growth Invest ApS. Mr. Schönharting has an M.Sc (Econ) from Copenhagen Business School.

Claus Bo Svendsen, Chief Executive Officer

Dr. Svendsen has served as our Chief Executive Officer since March 1, 2017. Within Forward Pharma, his previous role as Executive Vice President included responsibility for corporate functions, portfolio strategy, regulatory interactions and medical and scientific input across all phases of clinical trials. Prior to joining Forward Pharma in 2015, he held positions of increasing seniority in the Danish pharmaceutical company Novo Nordisk A/S, including roles of Global Medical Director for Victoza® (liraglutide) and for Saxenda® in its regulatory and pre-launch phase for weight management. From 2007 to 2009, he worked as a Medical Analyst in Nordic Biotech Advisors ApS, dealing with due diligence of potential investment opportunities. He received a M.D. from University of Copenhagen in 2003, and additionally completed a PhD in sarcoidosis pathobiology in 2009. He has worked in several countries with a clinical background mainly in internal medicine, and is a recipient of a Young Investigator Award from the Foundation for Sarcoidosis Research in 2009. Dr. Svendsen is an author of 27 publications in international, peer-reviewed journals and over 50 abstracts presented at international congresses on pathobiology of sarcoidosis, methods in molecular biology, and medical treatment of diabetes and obesity.

Peder Møller Andersen, Chief Operating Officer

Dr. Andersen has served as our Chief Operating Officer since May 2012, and previously served as our Chief Executive Officer from August 4, 2014 through February 28, 2017. He has been in charge of our clinical development program for FP187 since 2009. Dr. Andersen has more than 25 years of experience in the pharmaceutical industry. He also has worked for CROs and small biopharmaceutical companies as an external consultant. Dr. Andersen also has several years of business development experience, generic and proprietary, in Europe with PLIVA, Croatia and AWD, Germany. He also has founded a successful Nordic-based pharmaceutical company. Dr. Andersen has a degree from Copenhagen Medical School and trained in surgery, anesthesiology and internal medicine for six years.

Joel Sendek, Chief Financial Officer

Mr. Sendek has served as our Chief Financial Officer since August 2014. He also holds the position of Chief Financial Officer of Forward Pharma USA, LLC. Mr. Sendek has more than 25 years of experience in the life sciences sector, including 18 years as a senior research analyst covering biotechnology. Prior to joining us, Mr. Sendek was a Managing Director, Healthcare Equity Research, at Stifel Financial Corp., where he served as head of Stifel's healthcare equity research group. Prior to that he was a Managing Director and Senior Biotechnology Analyst at each of Lazard Capital Markets and Lazard, where he established the healthcare equity research effort in 2000. Previously, he was Senior Director, Corporate Development at Progenics Pharmaceuticals, Inc. and, prior to that, an investment banking analyst at Goldman, Sachs & Co. He graduated from Rice University with a B.A. in biochemistry in 1989.

Rupert Sandbrink, Executive Vice President Multiple Sclerosis /Neurology and Immunology

Dr. Sandbrink, M.D., Ph.D., joined the Company on March 1, 2016 as our Executive Vice President Multiple Sclerosis /Neurology and Immunology. He has more than 17 years of expertise in the pharmaceutical industry in all stages of clinical development including product launch and medical affairs. Dr. Sandbrink holds a degree in biochemistry from the University of Hanover, Germany, and a Ph.D. in molecular biology from the University of Heidelberg, Germany. He also received his medical degree from the University of Heidelberg, with further training in psychiatry and human genetics in Mannheim and Heidelberg, and he is a board-certified Clinical Pharmacologist. Prior to joining us, Dr. Sandbrink was Vice President and Therapeutic Area Head in Medical/Clinical Development and Clinical Sciences positions at Schering AG and later Bayer AG, with a focus on MS and other neurologic diseases and auto-immune disorders as well as ophthalmology, but also for other therapeutic areas covering a broad range of indications including hematology, dermatology, gynecology and rare diseases.

Andrzej Jan Stano, Executive Vice President Pharmaceutical Development and Production

Dr. Stano has served as our Executive Vice President Pharmaceutical Development and Production since October 2015. During Dr. Stano's approximately 30 years in the pharmaceutical industry, he has focused on the development and production of a wide variety of drug products, including early research and development through to commercialization, with extensive expertise in solid oral technology. Dr. Stano has degrees in Chemistry and in Pharmaceutical Sciences, and a Ph.D., from Kings College, London University. Most recently, Dr. Stano was Director in Product Development, Research and Development at Glaxo Smith Kline PLC, or GSK. Previously, Dr. Stano held various positions at GSK, including roles in formulation development, a global quality initiative and the development of an outsourcing strategy within research and product development.

Thomas Carbone, Vice President, Finance and Controller, Forward Pharma USA, LLC

Mr. Carbone has served as the Vice President, Finance and Controller of Forward Pharma USA, LLC since August 2014. Prior to joining us, he spent over 30 years providing auditing and accounting services to a diversified client base of public and private companies, including many in the biotechnology and pharmaceutical industries. Mr. Carbone has extensive experience with the reporting requirements for publicly listed companies and the complex rules and regulations that public companies must comply with. He has been involved in numerous public offerings of debt and equity securities, including many initial public offerings. His most recent role was Partner at a nationally recognized public accounting firm.

Torsten Goesch, Director

Dr. Goesch has served on our board of directors since June 2006. He has also been the director of Rosetta Capital I, LP a secondary life sciences investor since 2002. In this function, Dr. Goesch is responsible for the management of several Rosetta Capital I, LP investments and has served as a member of the board of directors of many biopharmaceutical companies, including Enobia Ltd and Cytochroma Ltd. Dr. Goesch is also the founder and former Managing Director of TRG Invest, a Munich-based consulting business serving companies in the life science sector. Additionally, Dr. Goesch served as the General Manager for the German Speaking Countries at Biogen from 1997 to 1999, and before that was the Commercial Head of Merck KGaA's worldwide generics drug business, Merck Generics. He practiced as a physician of internal medicine at the University Hospital Hamburg-Eppendorf from 1988 to 1990, focusing on nephrology, immunology and oncology. Dr. Goesch has a Master of Management from the J.L. Kellogg Graduate School of Management at Northwestern University, as well as an M.D. and Ph.D. from Heinrich Heine University Dusseldorf.

Jan G. J. van de Winkel, Director

Dr. van de Winkel has served on our board of directors since August 2014. He is a co-founder of Genmab and served as President, Research & Development and Chief Scientific Officer of Genmab until his appointment as its President and Chief Executive Officer in June 2010. Dr. van de Winkel has over 20 years of experience in the therapeutic antibody field and served as Vice President and Scientific Director of Medarex Europe prior to co-founding Genmab. He is the author of over 300 scientific publications and has been responsible for over 70 patents and pending patent applications. Dr. van de Winkel holds a professorship in Immunology at Utrecht University. He is chairman of the board of directors of Regenesance and member of the board of directors of ISA Pharmaceuticals and Celdara Medical, the scientific advisory board of Thuja Capital Healthcare Fund and the advisory board of Capricorn Health-tech Fund. Dr. van de Winkel holds M.S. and Ph.D. degrees from the University of Nijmegen.

Grant Hellier Lawrence, Director

Mr. Lawrence has served on our board of directors since July 2015. Mr. Lawrence is currently Managing Director and CFO at Nunc A/S, a Thermo Fisher Scientific company. He has more than 15 years of financial and information technology management experience within global Life Science manufacturing and commercial companies, where he has provided overall leadership and strategic direction with a proven record of driving sustained business and financial performance. Prior to joining Thermo Fisher Scientific, Mr. Lawrence worked for FMC and Pioneer Electronic Corporation. Mr. Lawrence holds a Diploma in Mechanical Engineering (1984) and graduated from the University of South Africa with a Bachelor of Commerce Degree in Accounting and Business Administration (1989).

Jakob Mosegaard Larsen, Director

Mr. Larsen has served on our board of directors since July 2015. Mr. Larsen is currently a partner at Copenhagen-based law firm Mazanti-Andersen Korsø Jensen Law Firm LLP. Prior to January 1, 2016, Mr. Larsen was a Partner at Copenhagen-based the law firm Nielsen Nørager Law Firm LLP. Mr. Larsen serves as a trusted advisor of Danish and international private equity and venture fund managers. He has several years of experience acting as a legal adviser of biotech and life science companies. Mr. Larsen is a member of the Danish Venture Capital and Private Equity Association's (DVCA) Legal Committee and serves as DVCA's representative on Invest Europe's Tax, Legal and Regulatory Committee. He graduated from Copenhagen University with a Master Degree in Law and holds an executive MBA from Copenhagen Business School.

From 2005 to December 31, 2015 (or for those entities that were established after 2005, since their inception), Nielsen Nørager Law Firm LLP acted as our Danish legal counsel and legal counsel to the Nordic Biotech funds that currently are our shareholders, and the advisory company and the general partners of those funds. Subsequent to December 31, 2015, Mazanti-Andersen Korsø Jensen Law Firm LLP has become our Danish legal counsel and legal counsel to the Nordic Biotech funds, the advisory company and the general partners of those funds. As a former partner in Nielsen Nørager Law Firm LLP and now as a partner at Mazanti-Andersen Korsø Jensen, Mr. Larsen has been and remains extensively involved in the provision of these legal services. Since 2011, Mr. Larsen has also served as a member of the board of directors of the advisory company of two of the Nordic Biotech funds that currently are our shareholders. Mr. Larsen serves on our board of directors in his individual capacity and not as a representative of any of the law firms.

Karen Smith, Director

Dr. Smith has served on our board of directors since May 2016. Dr. Smith is currently Global Head of Research and Development and Chief Medical Officer at Jazz Pharmaceuticals plc. From January 2011 to March 2015, she was Senior Vice President, Global Medical Affairs and Global Therapeutic Area Head (Dermatology) for Allergan, Inc., a multi-specialty healthcare company. From October 2007 to December 2010, Dr. Smith served initially as Vice President, External Medical Relations, then Vice President, Global Development at AstraZeneca LP, a global innovation-driven biopharmaceutical company. From 2002 to 2007, Dr. Smith held a variety of management and medical roles with Bristol-Myers Squibb Company, a global biopharmaceutical company, in Australia, Canada, and the U.S., most recently as Head of US Clinical Operations. In 2001, Dr. Smith was Chief Executive Officer of Boron Molecular, a specialist chemicals manufacturing company. Dr. Smith holds a B.A.Sc. and a B.Sc. from the Curtin University of Technology, a M.D. from the University of Warwick, a Ph.D. in oncology molecular genetics from the University of Western Australia, a M.B.A. from the University of New England (Australia) and a LL.M. in medical law from the University of Salford.

Duncan Moore, Director

Dr. Moore has served on our board of directors since May 2016. Dr. Moore is a partner at East West Capital Partners since May 2008. Previously, Dr Moore was a top ranked pharmaceutical analyst at Morgan Stanley from 1991 to 2008 and was a Managing Director from 1997 to 2008 leading the firm's global healthcare equity research team. Whilst at the University of Cambridge he co-founded a medical diagnostics company called Ultra Clone with two colleagues which led to the beginnings of a 20-year career in healthcare capital markets analysis. In 1986, he was involved in setting up the Bank Invest biotechnology funds and was on its scientific advisory board. Dr. Moore was educated in Edinburgh and went to the University of Leeds where he studied Biochemistry and Microbiology. He has an M.Phil and Ph.D. from the University of Cambridge where he was also a post-doctoral research fellow. Currently, he is an active investor in biomedical companies as Chairman of Lamellar Biomedical, Oncology Ventures and StepJockey. In addition, he has board positions at Cycle Pharma and Braidlock.

Composition and Practices of the Board of Directors

The board of directors has the overall responsibility for our corporate management. The board of directors determines our policies regarding business strategy, organization, accounting and finance, and the board of directors appoints and supervises our executive officers. The majority of the members of the board of directors must be directors who are not executive officers, and no executive officer may be chairman or vice-chairman of the board of directors. The chairman is elected among and by the directors.

According to the Articles of Association, the board of directors must consist of not less than three and not more than seven members. All members of the board of directors are elected by our shareholders at the general meeting for one year terms. At the end of each term, they are eligible for re-election. The board of directors plans to meet at least four times each year, and meetings can be called when deemed necessary by any of our directors or executive officers or by our auditor.

Under the shareholders' agreement that certain of our shareholders entered into prior to our initial public offering, the shareholders party to such agreement have agreed that NBFPI will have the right to nominate four directors, Nordic Biotech K/S and NBOF will jointly have the right to nominate one director, and NBFPII shall have the right to nominate one director to the board.

The Danish Companies Act requires granting employees in Danish companies a right of representation on the board of directors in companies with at least 35 employees. This requirement does not currently apply to us because, as of March 31, 2017, we only have 12 employees.

The board of directors conducts its business in accordance with the Danish Companies Act and its own rules of procedure. The rules of procedure set out, among other things, that the board of directors shall establish our strategy, policies and activities to achieve its objective in accordance with the Articles of Association. It also establishes the responsibilities of the board of directors, e.g., that the board of directors shall ensure that our bookkeeping, accounting, asset management, information technology systems, budgeting and internal controls are properly organized. The rules of procedure also provide guidelines for the division of responsibilities between the board of directors, the executive officers and the audit committee. The rules of procedure may be amended by a simple majority vote of the board.

A majority of the directors, including our chairman, must be present to constitute a quorum. Unless otherwise set forth in our Articles of Association, decisions of the board of directors are decided by a simple majority of votes cast. In the event of a tie vote of the members of the board of directors, the chairman shall have a casting vote.

Management

Our executive officers are responsible for our day-to-day business and operations and include Dr. Claus Bo Svendsen, our Chief Executive Officer, Dr. Peder Møller Andersen, our Chief Operating Officer, Joel Sendek, our Chief Financial Officer and Rupert Sandbrink, our Executive Vice President Multiple Sclerosis /Neurology and Immunology.

Board Committees

Audit Committee

We have an audit committee, which was established on August 8, 2014, under our board of directors consisting of Mr. Grant Hellier Lawrence and Dr. Duncan Moore. Mr. Grant Hellier Lawrence has served on the audit committee since his election to the board of directors in July 2015, and Dr. Duncan Moore has served on the audit committee since his election to the board of directors in May 2016. Since there are no specific requirements under Danish law on the composition of our audit committee, we do not comply with Rule 4350(d) of the NASDAQ Marketplace Rules that requires the audit committees of U.S. companies to have a minimum of three independent directors. Mr. Grant Hellier Lawrence and Dr. Duncan Moore each satisfy the director and audit committee "independence" requirements of each of the NASDAQ Marketplace Rules and Section 10A(m)(3)(B)(i) of the Exchange Act.

The board has adopted a written charter for the audit committee. As set forth in the its written charter, the principal duties and responsibilities of our audit committee are as follows:

- making recommendations on the appointment and retention of our independent registered public accounting firm which will audit our consolidated financial statements, overseeing the independent registered accounting firm's work and advising on the determination of the independent registered accounting firm's compensation;
- reviewing in advance all audit services and non-audit services to be provided to us by our independent registered accounting firm;
- recommending procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls, auditing or compliance matters, as well as for the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters;
- reviewing and discussing with management and our independent registered accounting firm the results of the annual audit;

- conferring with management and our independent registered accounting firm about the scope, adequacy and effectiveness of our internal accounting controls, the objectivity of our financial reporting and our accounting policies and practices;
- overseeing regulatory compliance and related matters; and
- reviewing related party transaction matters.

We do not have a compensation committee or a nominations committee, nor is independent director involvement required in the selection of director nominees or in the determination of executive compensation. Our home country practice differs from Rule 5605 of the NASDAQ Marketplace Rules regarding independent directors' involvement in these areas, because there are no specific requirements under applicable Danish law on the establishment of compensation committees or nominations committees, and neither are there any requirements under applicable Danish law on independent directors' involvement in the selection of director nominees nor in the determination of executive compensation.

Scientific Advisors

We have engaged a number of scientific advisors, and we have regularly sought advice and input from these experienced scientific leaders on matters related to our research and development programs. Our scientific advisors are experts across a range of key disciplines relevant to our programs and science. Two of our scientific advisors, Messrs. Reich and Mrowietz described below, own warrants to subscribe for some of our ordinary shares.

All of our scientific advisors are employed by or have consulting arrangements with other entities and devote only a small portion of their time to us. Our current advisors are:

	Name	Title
MS advisors		
	Fred Lublin, MD	Professor of Neurology and the Director of the Corinne Goldsmith Dickinson Center for MS Mount Sinai Medical Center New York, New York
	Giancarlo Comi, MD	Director of the Post-Degree School in Neurophysiopathology University Vita-Salute San Raffaele Milan, Italy
	Jerry Wolinsky, MD	Professor Emeritus, University of Texas Medical School Houston, Texas
	Per Soelberg Sørensen, MD	Professor of Neurology, Rigshospitalet University of Copenhagen and Copenhagen University Hospital Copenhagen, Denmark
Psoriasis advisors		
	Kristian Reich, MD	Professor of Dermatology, Göttingen University Partner, Dermatologikum Hamburg Hamburg, Germany
	Ulrich Mrowietz, MD	Head and Founder of the Psoriasis-Center Kiel University Medical Center Schleswig-Holstein, Campus Kiel Kiel, Germany

Code of Business Conduct

We have adopted a written code of business conduct, or code of conduct, which outlines the principles of legal and ethical business conduct under which we do business. The code of conduct applies to all of our board members and employees. The full text of the code of conduct is available on our website at www.forward-pharma.com. Any amendments or waivers from the provisions of the code of conduct will be made only after approval by our audit committee and will be disclosed on our website promptly following the date of such amendment or waiver.

Exemptions from Certain Corporate Governance Requirements of NASDAQ

- As a foreign private issuer, we are not required to have an audit committee comprised of at least three members. Our audit committee is comprised of two members.
- As a foreign private issuer, we are not required to have a board the majority of which is comprised of independent directors.
- As a foreign private issuer, we are not required to adopt a formal written charter or board resolution addressing the process for the nomination of directors. We do not have a nominations committee, nor have we adopted a board resolution addressing the nominations process.
- As a foreign private issuer, we are not required to hold regularly scheduled board meetings at which only independent directors are present.
- As a foreign private issuer, no quorum requirement will apply to our meetings of shareholders.
- As a foreign private issuer, we are not required to obtain shareholder approval for material revisions to our share-based incentive plans.
- As a foreign private issuer, we are not required to solicit proxies or provide proxy statements to NASDAQ pursuant to NASDAQ corporate governance rules or Danish law. Consistent with Danish law and as provided in our Articles of Association, we will notify holders of our ordinary shares of meetings with at least two weeks' but not more than four weeks' notice. This notification will contain, among other things, information regarding business to be transacted at the meeting. In addition, our Articles of Association provide that shareholders must give us not less than six weeks' advance notice to properly introduce any business at an annual meeting of shareholders.

Other than as noted above, we are in compliance with other NASDAQ corporate governance standards applicable to U.S. domestic issuers.

B. Compensation

Compensation of Executive Officers and Board

For the year ended December 31, 2016, the aggregate compensation paid to our executive officers and members of our board of directors (including health insurance, contributions to a defined contribution retirement plan and share based compensation) was $8,221,000. Included in the aggregate compensation for the year ended December 31, 2016 were amounts set aside or accrued by us to provide health insurance and contributions to a defined contribution retirement plan for our executive officers of $46,000 and $11,000 respectively. For the year ended December 31, 2016, we also granted share options to an executive officer and members of our board of directors offering the ability to subscribe for in the aggregate 463,549 ordinary shares as detailed below. A description of the warrants, options and deferred share awards granted to our executive officers and members of our board of directors is set forth below under "—Warrant and Other Equity Incentive Program—Director and

Officer Awards Granted under the Share Plan" and "—Director and Officer Awards Granted Outside the Share Plan."

None of our directors are employees of Forward Pharma A/S or its wholly owned subsidiaries, Forward Pharma GmbH, Forward Pharma USA, LLC and Forward Pharma FA ApS and accordingly, we do not have any written agreements with them providing for benefits upon termination.

Mr. Larsen, a member of our board of directors, acts as our Danish legal counsel. See "—Director and Officer Awards Granted Outside the Share Plan" and "Related Party Transactions—Legal Services Provided by Mazanti-Andersen Korsø Jensen Law Firm LLP."

Service and Employment Agreements

We have entered into a written service agreement with our Chief Executive Officer Dr. Claus Bo Svendsen, which contains provisions which we believe are standard for a company in our industry regarding non-competition, confidentiality of information and assignment of inventions.

We have entered into an amended and restated service agreement with our Chief Operating Officer, Dr. Peder Andersen, which contains provisions which we believe are standard for a company in our industry regarding non-competition, confidentiality of information and assignment of inventions.

We have entered into a written employment agreement with our Chief Financial Officer, Joel Sendek, who commenced working for us on August 5, 2014. Mr. Sendek's employment agreement contains, among other things, provisions regarding non-competition, confidentiality of information and assignment of inventions.

We have entered into a written employment agreement with our Executive Vice President, Multiple Sclerosis/Neurology and Immunology, Rupert Sandbrink who commenced working for us on March 1, 2016. Dr. Sandbrink's employment agreement contains, among other things, provisions regarding non-competition, confidentiality of information and assignment of inventions.

We have entered into a written employment agreement with our Executive Vice President Pharmaceutical Development and Production, Andrzej Jan Stano who commenced working for us on October 19, 2015. Dr. Stano's employment agreement contains, among other things, provisions regarding non-competition, confidentiality of information and assignment of inventions.

Our Vice President, Finance and Controller, Thomas Carbone, commenced working for Forward Pharma USA, LLC on August 18, 2014. Mr. Carbone's agreement contains, among other things, provisions regarding non-competition, confidentiality of information, and assignment of inventions.

Warrant and Other Equity Incentive Programs

Our employees, consultants and non-employee directors are eligible to participate in our warrant and other equity incentive programs, including our 2014 Omnibus Equity Incentive Compensation Plan described below. Most of our award agreements have specific provisions intended to protect the participant from any dilution to the financial value of his or her ownership interest that may occur as a result of a distribution or dividend. In some cases, this may cause or require us to pay cash compensation to the holders of such awards. In addition, we may choose to pay cash compensation to holders of other awards that do not include such provisions in connection with a distribution or dividend.

2014 Omnibus Equity Incentive Compensation Plan

Our 2014 Omnibus Equity Incentive Compensation Plan, or Share Plan, was approved by our board of directors and shareholders on July 24, 2014, and certain technical amendments to the Share

Plan were subsequently approved by our board and shareholders on August 11, 2014. Our employees, consultants and non-employee directors are eligible to receive awards under the Share Plan.

Share Reserve and Limitations. The maximum number of ordinary shares available for awards pursuant to the Share Plan is 3,109,384 ordinary shares, of which a maximum of 50% may be granted to an individual participant during a single year. The ordinary shares available for awards under the Share Plan may be new shares that we issue and/or existing shares, if any, we acquire.

Administration. The Share Plan is administered by our board of directors or, if and when established, a compensation committee appointed by our board of directors. The board of directors (or the committee, if applicable) has the power to: (i) select the employees, consultants and non-employee directors who will receive awards pursuant to the Share Plan; (ii) determine the type or types of awards to be granted to each participant; (iii) determine the number of ordinary shares to which an award will relate, the terms and conditions of any award granted under the Share Plan (including, but not limited to, restrictions as to vesting, transferability or forfeiture, exercisability or settlement of an award and waivers or accelerations thereof, and waivers of or modifications to performance conditions relating to an award, based in each case on such considerations as the board of directors (or the committee, if applicable) determines) and all other matters to be determined in connection with an award; (iv) determine whether, to what extent, and under what circumstances an award may be canceled, forfeited, or surrendered; (v) determine whether, and to certify that, the performance goals to which the settlement of an award is subject are satisfied; (vi) correct any defect or supply any omission or reconcile any inconsistency in the Share Plan, and adopt, amend and rescind such rules and regulations as, in its opinion, may be advisable in the administration of the Share Plan; and (vii) construe and interpret the Share Plan and make all other determinations as it may deem necessary or advisable for the administration of the Share Plan. It may delegate some or all of its powers to any executive officer of our company or any other person, other than its authority to grant awards to certain specified executives.

Types of Awards. Awards that can be granted under the Share Plan include ordinary shares, deferred shares, restricted shares and options.

Ordinary Shares. For awards of ordinary shares, a participant receives or subscribes for a grant of ordinary shares that are not subject to any restrictions on transfer or other vesting conditions. Upon the grant date, the participant will have all of the customary rights of a shareholder with respect to such shares, including the right to vote such shares and to receive dividends with respect to such shares.

Deferred Shares. For awards of deferred shares, we agree to deliver, subject to certain conditions, a fixed number of our ordinary shares to the participant or allow the participant to subscribe for such fixed number of our ordinary shares at the end of a specified deferral period or periods. During such period or periods, the participant will have no rights as a shareholder with respect to any such shares. Except as provided in an award agreement, no dividends will be paid with respect to deferred shares during the applicable deferral period, and the participant will have no future right to any dividend paid during such period. However, most of our award agreements have specific provisions requiring the board of directors (or the committee, if applicable) to adjust the number of shares and exercise or grant price relating to those awards in the event of a dividend which are intended to protect the participant from any dilution of the financial value of his or her ownership interest that may occur as a result of a distribution or dividend.

Restricted Shares. For awards of restricted shares, a participant receives or subscribes for a grant of our ordinary shares that are subject to certain restrictions, including forfeiture of such shares upon the occurrence of certain events. During the restriction period, holders of restricted shares will have the right to vote such shares. During the restriction period, any dividends or distributions paid with respect

to any restricted shares are subject to the same restrictions as apply to such restricted shares and will be paid to the participant only if and when the applicable restriction period lapses.

Share Options. Share options granted under the Share Plan may be either incentive stock options or non-qualified options. The exercise price of an option (whether to subscribe for new shares or purchase existing shares we hold) will be determined by the board of directors (or the committee, as applicable), but, except as provided in an award agreement, must be at least 100% of the fair market value of our ordinary shares on the date of the grant (110% in the case of an incentive stock option granted to a 10% shareholder). Except as provided in an award agreement, no dividends will be paid with respect to share options, and the participant will have no future right to any dividend paid prior to exercise of the share options. However, most of our award agreements have specific provisions requiring the board of directors (or the committee, as applicable) to adjust the number of shares and exercise or grant price relating to those awards in the event of a dividend which are intended to protect the participant from any dilution to the financial value of his or her ownership interest that may occur as a result of a distribution or dividend.

Effects of a Change in Control. Upon the occurrence of a change in control, the board of directors (or the committee, as applicable) may, in its discretion: (i) cancel any outstanding options in exchange for a cash payment of an amount (including zero) equal to the difference between the then fair market value of the option less the applicable option price; (ii) after having given the participant a chance to exercise any vested outstanding options, terminate any or all of the participant's unexercised options; (iii) cause the surviving corporation to assume all outstanding options or replace all outstanding options with economically comparable awards; or (iv) take such other action as the board of directors (or the committee, as applicable) determines appropriate; provided that such action substantially preserves the economic value of such options determined as of immediately prior to such change in control. We expect that if Biogen obtains an exclusive license in the U.S., such event will be considered a change in control of the Company.

Effects of Certain Corporate Transactions. In the event of a recapitalization, forward or reverse stock split, reorganization, dissolution, division, merger, consolidation, spin-off, combination, share exchange, or other corporate transaction or event that affects our ordinary shares, the board of directors (or the committee, as applicable) will adjust, recapitalize or modify (i) the number and kind of shares, including any ADRs and ADSs in respect of any such shares, which may thereafter be issued in connection with awards, (ii) the number and kind of ordinary shares, including any ADRs and ADSs in respect of any such shares, issuable in respect of outstanding awards, (iii) the aggregate number and kind of ordinary shares, including any ADRs and ADSs in respect of any such shares, available under the Share Plan, and (iv) the exercise or grant price relating to any award. Notwithstanding the foregoing, no such adjustment will take place merely as a result of the issuance of awards pursuant to the Share Plan in the normal course (even if, to the extent permitted by the Share Plan, such awards have an exercise price less than fair market value of the underlying shares, or other shares, including, without limitation, any ADRs and ADSs in respect of any such shares, on the grant date). In the event of a change in our capital structure by reason of (i) a capital increase (including, without limitation, the issuance of additional ordinary shares or other shares in us, warrants to subscribe for our shares, or awards under the Share Plan), (ii) a capital decrease (including, without limitation, any repurchase of our shares or the cancellation or termination of warrants to subscribe for our shares or the cancellation or termination of awards under the Share Plan), (iii) our issuance of bonus or compensatory shares, (iv) our issuance of convertible debt instruments or (v) dividends, neither the purchase price or exercise price of awards under the Share Plan nor the number of shares which may be subscribed or purchased pursuant to the Awards under the Share Plan may be adjusted unless otherwise specifically provided for in an Award Agreement, in all cases, even if the transaction giving rise to such change in our capital structure takes place at a price below the fair market value of our shares at time of the transaction. However, most of our award agreements have specific provisions requiring the board of

directors (or the committee, if applicable) to adjust the number of shares and exercise or grant price relating to those awards in the event of a dividend or the issuance of bonus shares to all of the Company's shareholders on a pro rata basis which are intended to protect the participant from any dilution of the financial value of his or her ownership interest that may occur as a result of a change in the Company's capital structure.

Clawback. Any award granted under the Share Plan, including an award of ordinary shares, will be subject to mandatory repayment by the participant to our company pursuant to the terms of any company "clawback" or recoupment policy that is directly applicable to the Share Plan and set forth in an award agreement or required by law to be applicable to the participant.

Transfer Restrictions. No award or other right or interest of a participant under the Share Plan may be pledged, encumbered, or hypothecated to, or in favor of, or subject to any lien, obligation, or liability of such participant to, any party, other than us, or assigned or transferred by such participant otherwise than by will or the laws of descent and distribution, and such awards and rights will be exercisable during the lifetime of the participant only by the participant or his or her guardian or legal representative. Notwithstanding the foregoing, the board of directors, in its discretion, may provide that awards or other rights or interests of a participant granted pursuant to the Share Plan be transferable, without consideration, to immediate family members, to trusts for the benefit of such immediate family members and to partnerships in which such family members are the only partners. In addition, a participant may, in the manner established by the board of directors, designate a beneficiary to exercise the rights of the participant, and to receive any distribution, with respect to any award upon the death of the participant.

Warrant Replacement Program

In order to provide employees, consultants and a board member of the Company with the ability to forgo exercising approximately 1.7 million warrants or share options that expired on or before January 1, 2016, or Expiring Awards, (i) our board of directors, during the period from January 2015 to April 2015, approved the granting of 1,364,870 share options or warrants, or Replacement Awards, to replace 1,404,980 Expiring Awards and (ii) our shareholders, at our ordinary general meeting in April 2015, approved the extension of the period during which holders may exercise 333,720 Expiring Awards, or Extended Awards. Further, in order to incentivize holders of Expiring Awards to remain engaged with us, our board of directors, during the period from January 2015 to April 2015, approved the granting of additional share options or warrants to holders of Expiring Awards to subscribe for an aggregate of 361,767 ordinary shares, 22,285 of which are at an exercise price of DKK 160.88, and the balance of which are at an exercise price of $30.54, or Additional Awards. The Replacement Awards have substantially similar terms as the Expiring Awards, except the expiration date for 84,670 Replacement Awards was extended to March 2017, the expiration date for 22,285 Replacement Awards was extended to December 2020, and the expiration date for the balance of the Replacement Awards was extended to March 2021. The expiration date for 166,860 of the Extended Awards was extended to June 2018, while the expiration date for the balance of the Extended Awards was extended to November 2018. If individual holders exercise their Expiring Awards, then the Replacement Awards and the Additional Awards held by such holders provide for immediate expiration and cancellation of such Replacement Awards and the Additional Awards for no compensation. Replacement Awards have the same exercise prices as Expiring Awards ranging from $0.67 to $1.43 per share. Replacement Awards are fully vested on the date of grant while Additional Awards vest over a period of three years. Replacement Awards and Additional Awards cannot be exercised prior to March 2018; however, Replacement Awards and Additional Awards vest and can be exercised immediately in the event there is a change in control, as defined in the award agreements. We granted 153,140 of the Replacement Awards and Additional Awards under the Share Plan. The remaining Replacement Awards and

Additional Awards, totaling 1.6 million, were granted outside the Share Plan but are governed in all respects as if they were awarded under the Share Plan.

Director and Officer Awards Granted under the Share Plan

Andrzej Jan Stano Deferred Share Award. On October 19, 2015, we granted Andrzej Jan Stano a deferred share award with respect to 5,000 ordinary shares under the Share Plan. The deferred shares became fully exercisable on July 31, 2016.

Jan G. J. van de Winkel Grant of Warrants. On August 13, 2014, upon his election as one of our directors, we granted Jan G. J. van de Winkel warrants to subscribe for Class A shares, which converted upon the consummation of our initial public offering into warrants to purchase 89,140 ordinary shares at an exercise price of DKK 64.954 per share. Subject to Dr. van de Winkel's continued service as a director, the warrants will vest and become exercisable in equal monthly installments over a period of four years from the date of issuance of the warrants. Subject to Dr. van de Winkel's continuing service as a director, the warrants will become vested and exercisable with respect to 100% of the underlying ordinary shares immediately prior to a change in control of the Company. The warrants will expire on the fifth anniversary of their issuance date.

Thomas Carbone Share Option Award. Upon the consummation of our initial public offering, we granted Thomas Carbone a non-qualified option under the Share Plan to subscribe for 80,230 ordinary shares at an exercise price per share of $21.00. The share option became exercisable with respect to 25% of the shares on each of August 18, 2015 and 2016, and, subject to Mr. Carbone's continuing employment by Forward Pharma USA, LLC, will vest and become exercisable with respect to an additional 25% of the underlying ordinary shares on each of August 18, 2017 and 2018. Subject to Mr. Carbone's continuing employment, the share option will become vested and exercisable with respect to 100% of the underlying ordinary shares immediately prior to a change in control of the Company. The share option will expire on the tenth anniversary of the share option grant date.

Joel Sendek Deferred Share Award. On August 12, 2014, we granted Joel Sendek a deferred share award with respect to 31,895 deferred Class A shares under the Share Plan, which converted into a deferred share award allowing for the subscription of 568,610 ordinary shares immediately after our initial public offering. On April 13, 2015 and on July 29, 2016, 25% of the deferred shares vested and, accordingly, we issued 142,150 and 142,155 ordinary shares, respectively, to Mr. Sendek on those dates and, subject to Mr. Sendek's continuing employment by us, 25% of the deferred shares will vest and be issued to Mr. Sendek on each of July 29, 2017 and 2018. In addition, subject to Mr. Sendek's continuing employment by us, 100% of the unvested deferred shares will vest and be issued to Mr. Sendek immediately prior to a change in control. Notwithstanding the foregoing, if Mr. Sendek experiences an involuntary termination of employment within six months prior to a change in control of the Company, 100% of the unvested deferred shares will vest and be issued to Mr. Sendek immediately prior to the change in control. Pursuant to the terms of his employment agreement, Mr. Sendek will also be entitled to dividend equivalent payments on the deferred shares prior to vesting and issuance to Mr. Sendek with respect to aggregate distributions by us on ordinary shares, which dividend equivalent payments will be paid to Mr. Sendek on the earliest to occur of (i) July 29, 2018; (ii) the date of Mr. Sendek's termination of employment; and (iii) the date of a change in control of the Company.

Joel Sendek Share Option Award. Upon the consummation of our initial public offering, we granted Mr. Sendek a non-qualified option under the Share Plan to subscribe for 379,450 ordinary shares at an exercise price per share of $21.00. The share option became exercisable with respect to 25% of the shares on April 13, 2015, an additional 25% of the shares on July 29, 2016, and, subject to Mr. Sendek's continuing employment by us, will become exercisable with respect to an additional 25% of the underlying ordinary shares on each of July 29, 2017 and 2018. Subject to Mr. Sendek's continuing employment by us, the share option will vest and become exercisable with respect to 100%

of the underlying ordinary shares immediately prior to the change in control of the Company. Notwithstanding the foregoing, if Mr. Sendek experiences an involuntary termination of employment within six months prior to a change in control, the share option will become exercisable with respect to 100% of the underlying ordinary shares immediately prior to a change in control of the Company. Pursuant to the terms of his Employment Agreement, Mr. Sendek will also be entitled to dividend equivalent payments on the underlying shares prior to his exercising the share option with respect to aggregate distributions by us on the ordinary shares in excess of $500,000,000, which dividend equivalent payments will be paid to Mr. Sendek on the earliest to occur of (i) July 29, 2018; (ii) the date of Mr. Sendek's termination of employment; and (iii) the date of a change in control of the Company. The share option will expire on the tenth anniversary of the share option grant date.

Director and Officer Awards Granted Outside the Share Plan

Claus Bo Svendsen Grant of Options. Upon commencement of his employment with us in June 2015, we granted Dr. Svendsen an option to purchase 120,000 ordinary shares at an exercise price of $32.03 per share. Further, upon Dr. Svendsen's promotion to Executive Vice President in December 2016, we granted Dr. Svendsen an option to purchase 200,000 ordinary shares at an exercise price of $21.95 per share and upon Dr. Svendsen's promotion to CEO in March 2017, we granted Dr. Svendsen an option to purchase 60,000 ordinary shares at an exercise price of $27.49 per share. Subject to Dr. Svendsen's continuing employment, the options will vest with respect to 1/48th of the shares on the last day of each of the first 48 calendar months following the respective grant dates. Subject to Dr. Svendsen's continuing service as an employee, the options granted in June 2015 and December 2016 will become vested and exercisable with respect to 100% of the underlying ordinary shares immediately prior to a change in control of the Company, provided however that if such change in control occurs on or prior to May 31, 2017, only 50% of the shares underlying the warrants granted in December 2016 will become vested and exercisable. Notwithstanding the vesting provisions, the share options may only be exercised during the periods of June 1, 2019 to May 31, 2021, November 30, 2020 to November 29, 2022, and March 1, 2021 to February 28, 2023, respectively (in respect of the options granted in June 2015 and December 2016, absent a change in control of the Company). The share options will expire on the sixth anniversary of the grant date. The options granted to Dr. Svendsen were granted outside of the Share Plan but are nevertheless governed in all respects as if they were awarded under the Share Plan.

Jakob M. Larsen and Grant H. Lawrence Grant of Options. In connection with their election as our directors, we granted each of Mr. Larsen and Mr. Lawrence an option to purchase 89,140 ordinary shares at an exercise price of $36.85 per share. Subject to their continuing service as a director, the options will vest with respect to $1/36^{th}$ of the shares on the last day of each of the first 36 calendar months following the grant date of July 1, 2015. Subject to each of Mr. Larsen's and Mr. Lawrence's continuing service as a director, the options will become vested and exercisable with respect to 100% of the underlying ordinary shares immediately prior to a change in control of the Company. Notwithstanding the vesting provisions, the share option may only be exercised during the period of July 1, 2018 to June 30, 2021 (absent a change in control of the Company). The share options will expire on the sixth anniversary of the grant date. The options granted to Mr. Larsen and Mr. Lawrence were granted outside of the Share Plan but are nevertheless governed in all respects as if they were awarded under the Share Plan.

Rupert Sandbrink Grant of Options. Upon commencement of his employment with us, we granted Dr. Sandbrink an option to purchase 285,269 ordinary shares at an exercise price of $12.75 per share. Subject to Dr. Sandbrink's continuing employment, the options will vest with respect to 1/48th of the shares on the last day of each of the first 48 calendar months following the grant date including March 2016. Notwithstanding the vesting provisions, the share option may only be exercised during the period of March 1, 2020 to February 28, 2022 or in connection with the termination of Dr. Sandbrink's employment with the Company. The share option will expire on the sixth anniversary of the grant date. The options granted to Dr. Sandbrink were granted outside of the Share Plan but are nevertheless governed in all respects as if they were awarded under the Share Plan.

Andrzej Jan Stano Grant of Options. Upon commencement of employment with us, we granted Dr. Stano an option to purchase 140,000 ordinary shares at an exercise price of $25.52 per share. Subject to Dr. Stano's continuing employment, the options will vest with respect to 1/48th of the shares on the last day of each of the first 48 calendar months following the grant date including October 2015. Notwithstanding the vesting provisions, the share option may only be exercised during the period of October 18, 2019 to October 19, 2021 or in connection with the termination of Dr. Stano's employment with the Company. The share option will expire on the sixth anniversary of the grant date. The options granted to Dr. Stano were granted outside of the Share Plan but are nevertheless governed in all respects as if they were awarded under the Share Plan.

Peder Møller Andersen Grant of Replacement Options and Additional Options. On April 1, 2015, we granted Peder Møller Andersen, our Chief Operating Officer, a non-qualified option to subscribe for (i) 89,140 ordinary shares at an exercise price of DKK 5.609 per share, (ii) 333,710 ordinary shares at an exercise price of DKK 8.414 per share, and (iii) 105,713 ordinary shares at an exercise price of $30.54 per share. We granted Dr. Andersen's option as part of the warrant replacement program described above, with options to purchase an aggregate of 422,850 shares granted as a replacement for previously granted warrants that were set to expire in the near term and options to purchase 105,713 granted as additional options. As a result, the share option will immediately expire if any of the warrants we previously issued to Dr. Andersen are exercised. The portions of the share option that allow for subscription of (i) 89,140 ordinary shares at an exercise price of DKK 5.609 per share and (ii) 333,710 ordinary shares at an exercise price of DKK 8.414 per share were fully vested on the date of grant. The remaining options to purchase 105,713 ordinary shares will vest with respect to 1/36th of the shares on the last day of each of the first 36 calendar months following the grant date, subject to Dr. Andersen's continued employment by us. Notwithstanding the vesting provisions, the share option may only be exercised during the period of April 1, 2018 to March 31, 2021 or in connection with the termination of Dr. Andersen's employment with the Company. The share option will expire on the sixth anniversary of the grant date. The options granted to Dr. Andersen were granted outside of the Share Plan but are nevertheless governed in all respects as if they were awarded under the Share Plan.

Investor Warrants

On March 17, 2014, all then-outstanding warrants held by investors were exercised as follows:

- on March 17, 2014, NBOF cancelled its shareholder loan with a principal value of $2.5 million, which amount was used to offset the exercise price on an aggregate of 137,750 warrants to subscribe for Class A shares at a subscription price of DKK 100 per share of nominally DKK 1.00 (2,455,766 ordinary shares following the Recapitalization); and

- on March 17, 2014, NBOF subscribed for 260 Class A shares by way of exercise of 260 warrants, at a subscription price of DKK 100 per share (4,635 ordinary shares following the Recapitalization).

Insurance and Indemnification

We have entered into indemnification agreements with our executive officers, certain other employees and members of our board of directors, undertaking to indemnify them, including with respect to liabilities resulting from our initial public offering to the extent that these liabilities are not covered by insurance. In addition, we have entered into insurance policies that insure our directors, executive officers and certain other employees for certain actions taken in their professional capacity and a separate insurance policy insuring our directors and officers against liabilities resulting from our initial public offering, subject to specified exceptions.

C. Board Practices

See "Item 6. Directors, Senior Management and Employees—A. Executive Officers and Directors" and "—B. Compensation."

D. Employees

As of December 31, 2016, we had 12 employees of which 9 are in Europe and three are in the U.S. Six employees hold either an M.D., D.V.M. or Ph.D. degree. None of our employees are subject to a collective bargaining agreement or represented by a trade or labor union. We consider our relations with our employees to be good.

E. Share ownership

The following table sets forth information with respect to the beneficial ownership of our ordinary shares and ADSs by our directors and executive officers as of April 1, 2017.

Directors and Executive Officers	# of Shares	% of issued Shares(1)
Florian Schönharting(2)	25,823,950	54.73%
Torsten Goesch(3)	8,788,200	18,63%
Jan van de Winkel(4)	63,141	*
Jakob M. Larsen(5)	0	*
Grant H. Lawrence(5)	0	*
Duncan Moore(6)	0	*
Karen Smith(7)	0	*
Claus Bo Svendsen(8)	0	*
Peder Møller Andersen(9)	0	*
Joel Sendek(10)	267,909	*
Rupert Sandbrink(11)	0	*

* Represents less than 1%.

(1) Ordinary shares which may be acquired upon exercise of options or warrants which are currently exercisable or which become exercisable within 60 days after April 1, 2017 (i.e., May 31, 2017) are deemed beneficially owned by the holders of such options or warrants and are deemed outstanding for the purpose of computing the percentage of ownership of such person, but are not treated as outstanding for the purpose of computing the percentage of ownership of any other person. As of April 1, 2017, we had 47,183,999 ordinary shares outstanding.

(2) Consists of ordinary shares held by Nordic Biotech K/S, Nordic Biotech Opportunity Fund K/S, NB FP Investment K/S and NB FP Investment II K/S. Through his ownership of Tech Growth Invest ApS, Mr. Schönharting controls 45% of the ownership interests in Nordic Biotech General Partner ApS (which is the general partner of both Nordic Biotech K/S and Nordic Biotech Opportunity Fund K/S). In addition, he is the sole member of the Investment Committee of NB FP Investment K/S and NB FP Investment II K/S), and therefore Mr. Schönharting may be deemed to share beneficial ownership of the securities beneficially owned by Nordic Biotech K/S, Nordic Biotech Opportunity Fund K/S, NB FP Investment K/S and NB FP Investment II K/S. Mr. Schönharting disclaims beneficial ownership of such securities except to the extent of his pecuniary interest therein.

(3) Consists of ordinary shares held by Rosetta Capital I, LP. Mr. Goesch has full investment and voting power over all of the shares held by Rosetta Capital I, LP (an affiliate of BioScience Managers Limited), and so may be deemed to share beneficial ownership of the securities owned

by the fund. The address for Rosetta Capital I, LP is c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, County of New Castle, Delaware, U.S. Mr. Goesch disclaims beneficial ownership of such securities except to the extent of his pecuniary interest therein.

(4) Includes warrants to purchase 63,141 shares at an exercise price of DKK 64.954 per share that are currently exercisable or will be exercisable on or before May 31, 2017. These warrants expire on July 31, 2019. Excludes warrants to purchase 25,999 shares at an exercise price of DKK 64.954 per share that are not exercisable before May 31, 2017. These warrants expire on July 31, 2019.

(5) Excludes options to purchase up to 89,140 shares at an exercise price of $36.85 per share that, if they become exercisable by continued service, may be exercised only during the period from July 1, 2018 to June 30, 2021 (absent a change in control of the Company or discontinuation of service). These options expire on June 30, 2021.

(6) Excludes options to purchase up to 89,140 shares at an exercise price of $17.99 per share that, if they become exercisable by continued service, may be exercised only during the period from May 1, 2019 to April 30, 2022 (absent a change in control of the Company or discontinuation of service). These options expire on April 30, 2022. Also excludes 12,500 deferred shares that will not become exercisable before May 31, 2017 (absent a change in control of the Company).

(7) Excludes options to purchase up to 89,140 shares at an exercise price of $17.99 per share that, if they become exercisable by continued service, may be exercised only during the period from May 1, 2019 to April 30, 2022 (absent a change in control of the Company or discontinuation of service). These options expire on April 30, 2022. Also excludes 25,000 deferred shares that will not become exercisable before May 31, 2017 (absent a change in control of the Company).

(8) Excludes options to purchase 120,000 shares at an exercise price of $32.03 per share that may be exercised only during the period June 1, 2019 to May 31, 2021 (absent a change in control of the Company or discontinuation of service). Further excludes options to purchase 200,000 shares at an exercise price of $21.95 per share that, if they become exercisable by continued service, may be exercised only during the period from November 30, 2020 to November 29, 2022 (absent a change in control of the Company or discontinuation of service) and options to purchase 60,000 shares at an exercise price of $27.49 per share that, if they become exercisable by continued service, may be exercised only during the period from March 1, 2021 to February 28, 2023 (absent discontinuation of service).

(9) Excludes options to purchase 333,710 shares at an exercise price of DKK 8.414 per share and 89,140 shares at an exercise price of DKK 5.609 that may be exercised only during the period April 1, 2018 to March 31, 2021 (or in connection with the termination of the employment). Further excludes options to purchase 105,713 shares at an exercise price of $30.54 per share that, if they become exercisable by continued service, may be exercised only during the period from April 1, 2018 to March 31, 2021 (or in connection with the termination of the employment). These options expire on March 31, 2021.

(10) Includes 78,184 ADSs and options to purchase 189,725 shares at an exercise price of $21.00 per share that are currently exercisable or will be exercisable on or before May 31, 2017. These options expire on July 28, 2024. Excludes options to purchase 189,725 shares at an exercise price of $21.00 per share that are not exercisable before May 31, 2017 (absent a change in control of the Company). These options expire on July 28, 2024. Also excludes 284,305 deferred shares that will not vest before May 31, 2017 (absent a change in control of the Company).

(11) Excludes options to purchase up to 285,269 shares at an exercise price of $12.75 per share that, if they become exercisable by continued service, may be exercised only during the period from

March 1, 2020 to February 28, 2022 (or in connection with the termination of the employment). These options expire on February 28, 2022.

See "Item 6. Directors, Senior Management and Employees—B. Compensation" above for information with respect to the 2014 Omnibus Equity Incentive Compensation Plan and options held by our directors and executive officers.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information with respect to the beneficial ownership of our ordinary shares and ADSs by our major shareholders, which means shareholders that beneficially own 5% or more of our ordinary shares, as of March 1, 2017, March 1, 2016 and March 1, 2015, each being the most recent practicable date before reporting for the last three fiscal years.

	2015		2016		2017	
Name	# of Shares	% of issued Shares*	# of Shares	% of issued Shares*	# of Shares	% of issued Shares*
Nordic Biotech K/S(1)	12,125,340	26.07%	12,125,340	25.87%	12,125,340	25.70%
Nordic Biotech Opportunity Fund K/S(1)	10,588,990	22.77%	10,588,990	22.59%	10,588,990	22.44%
NB FP Investment K/S(2)	2,507,360	5.39%	2,507,360	5.35%	2,507,360	5.31%
Rosetta Capital I, LP	8,788,200	18.89%	8,788,200	18.75%	8,788,200	18.63%
The Bank of New York Mellon(3)	11,199,980	24.08%	11,342,130	24.2%	11,484,285	24.34%
The Baupost Group, L.L.C.(4)	5,367,300	11.54%	5,367,300	11.45%	5,367,300	11.38%

* Based on 47,183,999 ordinary shares outstanding as of April 1, 2017.

(1) Nordic Biotech General Partners ApS is the general partner of Nordic Biotech K/S and Nordic Biotech Opportunity Fund K/S and has voting and dispositive power with respect to, and may be deemed to be the beneficial owner of, the shares held by Nordic Biotech K/S and Nordic Biotech Opportunity Fund K/S. Florian Schönharting controls 45% of the ownership interests in Nordic Biotech General Partner ApS and therefore may be deemed to share beneficial ownership of the securities beneficially owned by Nordic Biotech General Partners ApS, including the shares held by Nordic Biotech K/S and Nordic Biotech Opportunity Fund K/S.

(2) Mr. Schönharting is the sole member of the Investment Committee of NB FP Investment K/S, and as such has voting and dispositive power with respect to, and may be deemed to be the beneficial owner of, shares held by NB FP Investment K/S.

(3) The Bank of New York Mellon is acting as depositary bank in our ADS-program and is holding the shares in such capacity.

(4) The information in the table and this note is derived from a Schedule 13G filed by The Baupost Group L.L.C., SAK Corporation and Seth A. Klarman with the SEC on November 10, 2014. Based on information contained in the Schedule 13G, each of The Baupost Group L.L.C., SAK Corporation and Seth A. Klarman share voting and dispositive power over all ADSs they are deemed to beneficially own. The ordinary shares underlying these ADSs are held by The Bank of New York Mellon as depositary and are also included within this table as shares held by The Bank of New York Mellon. The business address of each of The Baupost Group L.L.C., SAK Corporation and Seth A. Klarman is 10 St. James Avenue, Suite 1700, Boston, Massachusetts, 02116.

As of April 3, 2017, there were a total of 11 holders of record of our ordinary shares, including the Bank of New York Mellon who is acting as depositary bank for our ADS program. 3 holders of record of our ordinary shares had addresses in the U.S., representing 44.16% of our ordinary shares. As of April 3, 2017, there were a total of three holders of record of our ADS, all of which had addresses in the U.S.

B. Related Party Transactions

The following is a description of the related party transactions that we have entered into since January 1, 2016 with any of the members of our board of directors, our executive officers or our major shareholders.

Leased Premises

We sublease our headquarters in Copenhagen, Denmark from the management company of two of our major shareholders, Nordic Biotech Advisors ApS. In 2015 and 2016, we paid DKK 558,000 (approximately $83,000) and DKK 574,000 (approximately $85,000), including VAT, respectively, for such premises.

Employment Agreements and Equity Grants

We have entered into employment agreements with our executive officers, and issued warrants, deferred shares and share options to our executive officers and members of our board of directors. See "Item 6. Directors, Senior Management and Employees" for more information.

Indemnification Agreements

We have entered into indemnification agreements with members of our board of directors and certain officers.

Legal Services Provided by Mazanti-Andersen Korsø Jensen Law Firm LLP

Mazanti-Andersen Korsø Jensen Law Firm LLP acts as our Danish legal counsel and legal counsel to the Nordic Biotech funds that currently are our shareholders, and the advisory company and the general partners of those funds. Mr. Larsen, a member of our board of directors, is a partner at Mazanti-Andersen Korsø Jensen Law Firm LLP. Mazanti-Andersen Korsø Jensen Law Firm LLP charged us for services it rendered on an hourly basis and expenses incurred. For the year ended December 31, 2016, we incurred legal expenses for services rendered by Mazanti-Andersen Korsø Jensen Law Firm LLP of DKK 9,301,000 (approximately $1,377,000). Mr. Larsen is also a member of the board of directors of the advisory company of two of the Nordic Biotech funds that currently are our shareholders.

Consulting Agreements with Certain Directors

We have entered into consulting agreements with Duncan Moore and Karen Smith, who are members of our board of directors. Pursuant to the consulting agreement with Dr. Moore, Dr. Moore will act as an advisor for the chairman of the board of directors and will perform consulting services as requested by the Company from time to time. The consulting agreement with Dr. Moore expires on October 10, 2020. As compensation for the consulting services, the Company granted Dr. Moore a deferred share award with respect to 12,500 shares. The deferred shares vest over a period of four years, with 25% of the shares vesting on the first four anniversaries of October 10, 2016. In addition, subject to Dr. Moore's continuing service to the Company as a consultant, 100% of the unvested deferred shares will vest and be issued to Dr. Moore immediately prior to a change in control.

Pursuant to the consulting agreement with Dr. Smith, Dr. Smith will act as an advisor for the chairman of the board of directors and will perform consulting services as requested by the Company from time to time. The consulting agreement with Dr. Smith expires on September 14, 2019. As compensation for the consulting services, the Company granted Dr. Smith a deferred share award with respect to 25,000 shares. The deferred shares vest over a period of four years, with 25% of the shares vesting on the first four anniversaries of September 14, 2015. In addition, subject to Dr. Smith's continuing service to the Company as a consultant, 100% of the unvested deferred shares will vest and be issued to Dr. Smith immediately prior to a change in control. Neither of Drs. Moore or Smith are entitled to any compensation under their consulting agreements other than the deferred share awards discussed above.

Additech Agreements

In 2010, we entered into a patent transfer agreement with Aditech, and in January 2017, we entered into an addendum to this agreement. See "Item 4. Information on the Company—Business Overview—Material Agreements" for more information.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See "Item 18. Financial Statements," which contains our financial statements prepared in accordance with IFRS.

B. Significant Changes

No matters to report.

ITEM 9. THE OFFER AND LISTING

A. Offering and Listing Details

See "Item 9. C. Markets" for information regarding the price history of our stock.

B. Plan of Distribution

Not applicable.

C. Markets

ADSs representing our ordinary shares began trading on the Nasdaq Global Select Exchange on October 15, 2014 under the symbol FWP.

The following table sets forth the high and low sales prices of our ADSs as reported by NASDAQ for the periods indicated:

	High	Low
Quarter ended March 31, 2015	$ 29.87	$ 20.60
Quarter ended June 30, 2015	$ 43.34	$ 27.37
Quarter ended September 30, 2015	$ 40.12	$ 21.06
Quarter ended December 31, 2015	$ 29.41	$ 17.52
Year ended December 31, 2015	$ 43.34	$ 15.75
Quarter ended March 31, 2016	$ 19.69	$ 11.22
Quarter ended June 30, 2016	$ 22.86	$ 15.63
Quarter ended September 30, 2016	$ 23.63	$ 17.53
Quarter ended December 31, 2016	$ 25.74	$ 14.89
Year ended December 31, 2016	$ 25.74	$ 11.22
Quarter ended March 31, 2016	$ 33.00	$ 15.03
October 2016	$ 22.39	$ 19.05
November 2016	$ 25.74	$ 17.85
December 2016	$ 21.47	$ 14.89
January 2017	$ 32.26	$ 15.03
February 2017	$ 33.00	$ 27.12
March 2017	$ 30.44	$ 17.00

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

Since October 14, 2014, our Articles of Association were amended as follows:

- on November 14, 2014, the Company's nominal share capital was increased from DKK 4,581,376 to DKK 4,651,374;
- on March 24, 2015, to add the terms applicable to warrants previously granted to certain of our directors and employees;
- on April 13, 2015, to increase the share capital in connection with the issuance of 142,150 shares to Joel Sendek;
- on April 20, 2015, to extend the exercise period for warrants that allow for the subscription of 333,720 shares and to increase the board of directors' authorization to issue warrants to employees and consultants by 1.7 million warrants and underlying shares;

- on June 23, 2015, to implement the terms applicable to warrants granted to a number of persons engaged or employed with the Company or a subsidiary of the Company, issue of shares to two warrant holders that had exercised their warrants and amendments due to lapse of certain warrants;

- on November 24, 2015, to implement the terms applicable to warrants granted to a number of persons engaged or employed with the Company or a subsidiary of the Company;

- on May 6, 2016, to increase the allowable maximum number of board members, to increase and amend the board of directors' authorization to issue warrants and to reduce the board of directors' authorization to increase the company's share capital;

- on June 1, 2016, to implement the terms applicable to warrants granted to a number of persons engaged or employed with the Company or a subsidiary of the Company, to issue shares to a warrant holder that had exercised its warrants and amendments due to lapse of certain warrants;

- on July 29, 2016, to increase the share capital in connection with the issuance of 142,155 shares to Joel Sendek; and

- on August 30, 2016, to implement the terms applicable to warrants granted to a person employed with the Company; and

- on March 29, 2017, to implement the terms applicable to warrants granted to Claus Bo Svendsen and to issue shares to a warrant holder that had exercised its warrants.

Except as set forth above, the description of our Articles of Association as in effect upon the closing of our IPO contained in the prospectus dated October 14, 2014 that forms part of our registration statement on Form F-1 (File No. 333-198013) originally filed with the SEC on August 11, 2014, as amended, is incorporated by reference into this Annual Report on Form 20-F. Such description sets forth a summary of certain provisions of our Articles of Association as currently in effect.

C. Material Contracts

Except for the agreements and contracts described below and elsewhere in this Annual Report, including under the sections "Item 4. Information on the Company—B. Business Overview—Material Agreements" and "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions," we are not currently, and have not been in the last two years, party to any material contract, other than contracts entered into in the ordinary course of business.

Registration Rights

Certain holders of our ordinary shares, including those ordinary shares that were issued upon conversion of our Class A shares and Class B shares, are entitled to certain rights with respect to registration of such shares under the Securities Act. These shares are referred to as Registrable Securities. The holders of these Registrable Securities possess the registration rights pursuant to the terms of a registration rights agreement dated as of September 11, 2014.

The registration of ordinary shares pursuant to the exercise of registration rights would enable the holders to trade these shares without restriction under the Securities Act when the applicable registration statement is declared effective. Unless our ordinary shares are listed on a national securities exchange or trading system and a market for our ordinary shares not held in the form of ADSs exists, any Registrable Securities sold pursuant to an exercise of the registration rights will be sold in the form of ADSs. Subject to any limitations under Danish law, we will pay the registration expenses, other than underwriting discounts, selling commissions and share transfer taxes, of the shares registered pursuant to the demand, piggyback and Form F-3 registrations provided for in the registration rights agreement.

September 2014 Shareholders' Agreement

In connection with the consummation of our initial public offering, Nordic Biotech K/S, NBOF, NBFPI and NBFPII, holders of approximately 55% of our ordinary shares outstanding after consummation of our initial public offering, entered into a new shareholders' agreement dated September 8, 2014.

The key terms of the shareholders' agreement are as follows:

- Appointment of the Board: Providing NBFPI with the right to nominate four directors (including the chairman), NBOF and Nordic Biotech K/S, collectively with the right to nominate one director, and NBFPII with the right to nominate one director;
- Veto rights of NBFPI: Prohibiting the other parties to the shareholders' agreement from voting in favor of certain key decisions without the approval of NBFPI;
- No dividends: Providing that dividends are not expected to be paid prior to an exit event as set forth in the shareholders' agreement;
- Drag-along rights: Providing NBFPI with drag-along and exit rights in certain situations; and
- Capital increases: Providing NBFPI with the right to cause the other parties to approve an increase in share capital in certain situations.

Shareholder Lock-Up Agreement

In connection with our initial public offering, we entered into lock-up agreements with certain of our existing shareholders, pursuant to which they agreed not to offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise dispose of, directly or indirectly, or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the ordinary shares or such other securities for a period of 180 days after the date of our IPO, subject to certain exceptions, without the prior written consent of the underwriters in our IPO. On April 9, 2015, the holders of our ordinary shares (except for those underlying ADSs held by our depositary) entered into a separate Shareholders' Agreement pursuant to which they agreed to voluntarily lock-up their shares for an additional 365 days beyond the expiration of the original lock-up. The lock-up agreement expired on April 12, 2016.

D. Exchange Controls

There are no governmental laws, decrees, regulations or other legislation in the Kingdom of Denmark that affect or restrict the import or export of capital (including foreign exchange control), the remittance of dividends, interest or other payments to non-resident holders of the shares or the American depositary shares.

E. Taxation

The following summary contains a general description of certain Danish and U.S. federal income tax consequences of the acquisition, ownership and disposition of the ADSs, but it does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire or dispose of ADSs. The summary is based upon the tax laws of Denmark and regulations thereunder and on the tax laws of the U.S. and regulations thereunder as of the date hereof, which are subject to change.

Danish Tax Considerations

The following discussion is a summary of the material Danish tax considerations relating to the purchase, ownership and disposition of the ADSs.

Taxation in Denmark

This summary is for general information only and does not purport to constitute exhaustive tax or legal advice. The information is summarized based on the tax laws of Denmark in effect and applied as at the date hereof and is subject to change as a result of changes in Danish legislation, including legislation that could have a retroactive effect, or new legislation. It is specifically noted that the description does not address all possible tax consequences of an investment in our ADSs. Therefore, this summary may not be relevant, for example, to investors subject to the Danish Act on Pension Investment Return Taxation (i.e. pension savings) and professional investors, certain institutional investors, insurance companies, pension companies, banks, stockbrokers and individuals and companies carrying on business of purchasing and selling shares to whom special tax rules apply. The summary only sets out the tax position of the direct owners of the ADSs and further assumes that the direct owners are the beneficial owners of the ADSs and any dividends thereon. Sales are assumed to be sales to a third party.

Current and prospective investors in our ADSs are advised to consult their tax advisers regarding the applicable tax consequences of acquiring, holding and disposing of our ADSs based on their particular circumstances. Current and prospective investors who may be affected by the tax laws of other jurisdictions should also consult their tax advisers with respect to the tax consequences applicable to their particular circumstances as such consequences may differ significantly from those described herein.

The following summary is based on the Danish tax law as applied and interpreted by Danish tax courts and as published and in effect on the date hereof, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

For the purpose of this paragraph, "Danish Taxes" means taxes of whatever nature levied by or on behalf of Denmark or any of its subdivisions or taxing authorities.

Taxation of Shareholders Resident in Denmark

When considering the taxation of Danish tax resident holders of the ADSs (companies and individuals), it is assumed that for tax purposes Danish resident holders of the ADSs should be treated as holders of unlisted shares in Forward Pharma A/S. It is currently not clear under the Danish tax legislation or case law how the listed ADSs are to be treated for tax purposes. For the purpose of the below comments, it is assumed that the ADSs listed in the U.S. should be treated as non-listed shares as Forward Pharma A/S is an unlisted company.

Purchase of ADSs

The purchase of ADSs has no tax effect.

Sale of ADSs—Individuals

Gains on the sale of shares are taxed at a rate of 27% on the first DKK 50,600 in 2016 (for cohabiting spouses a total of DKK 101,200), and at a rate of 42% on share income over DKK 50,600 (for cohabiting spouses a total of DKK 101,200). All amounts are subject to annual adjustments, and include all share income derived by the individual or cohabiting spouses, respectively. In 2017, the sale of shares will be taxed as share income at a rate of 27% on the first DKK 51,700 (for cohabiting

spouses a total of DKK 103,400, and at a rate of 42% on share income over DKK 51,700 (for cohabiting spouses a total of DKK 103,400).

Gains and losses on the sale of shares are made up as the difference between the purchase price and the sales price. The purchase price is based on the average purchase price for the shares in that particular company. Losses on non-listed shares may be offset against other share income derived by the individual and must be offset against cohabiting spouses' share income before the share income becomes negative. In case the share income becomes negative, a negative tax on the share income will be calculated and offset against the individual's other final taxes. Unused negative tax on share income will be offset against a cohabiting spouse's final taxes. If the negative tax on share income cannot be offset against a cohabiting spouse's final taxes, the negative tax can be carried forward indefinitely and offset against future year's taxes.

Sale of ADSs—Companies

A distinction is made between "Subsidiary Shares," "Group Shares," "Tax-exempt Portfolio Shares" and "Taxable Portfolio Shares" with respect to taxation of capital gains derived from the sale of the ADSs.

- "Subsidiary Shares" are generally defined as shares held by a shareholder with a direct holding of 10% or more of the share capital of a company.
- "Group Shares" are generally defined as shares held in a company in which the shareholder of the company and the company are subject to Danish joint taxation or meet the criteria for international taxation under Danish law, usually implying that they control, directly or indirectly, more than 50% of the votes.
- "Tax-exempt Portfolio Shares" are shares of unlisted companies not falling within the definitions of "Subsidiary Shares" or "Group Shares" (for example, if the shareholder holds less than 10% and the Shares are not Group Shares), provided that the shares are not owned by a life insurance company.
- "Taxable Portfolio Shares" are shares that do not qualify as Subsidiary Shares, Group Shares or Tax-exempt Portfolio Shares.

It is noted that the above ownership thresholds are applied on the basis of the nominal value of all shares issued by Forward Pharma A/S, and not on the basis of the nominal value of ADSs issued.

Capital gains derived from the sale of Subsidiary Shares, Group Shares and Tax-exempt Portfolio Shares are exempt from taxation, irrespective of the holding period.

Losses on Subsidiary Shares, Group Shares and Tax-exempt Portfolio Shares are not tax deductible.

Special anti-avoidance rules apply to certain holding companies holding Subsidiary Shares, Group Shares or Tax-exempt Portfolio Shares. Further, certain anti-avoidance rules apply to the treatment of Tax-exempt Portfolio Shares, in case the assumed nature of the Portfolio Shares changes. These rules are not described herein.

Capital gains from the sale of Taxable Portfolio Shares are taxable at the corporate income tax rate of 22% irrespective of ownership periods in 2016 and 2017. Losses on such shares are deductible only against gains on taxable Portfolio Shares unless the mark-to-market principle is applied.

Dividends—Individuals

Dividends paid to private individuals who are tax residents of Denmark are taxed as share income at the applicable rates. It must be noted that all share income must be included when calculating whether the amounts mentioned above in "Sale of ADSs—Individuals" are exceeded.

Dividends paid to individuals are generally subject to withholding tax, which is the responsibility of the company, at a rate of 27%.

Dividends—Companies

The distinction described above among "Subsidiary Shares," "Group Shares," "Tax-exempt Portfolio Shares" and "Taxable Portfolio Shares" as set forth in "Sale of Offer ADSs—Companies" above, is also made with respect to taxation of dividends on shares.

Dividends paid to companies are generally subject to corporate tax at a current rate of 22%. However, no corporate tax is levied on dividends derived from Subsidiary Shares and Group Shares. The 22% rate applies to dividends derived from Taxable Portfolio Shares and Tax-exempt Portfolio Shares. However, only 70% of dividends from Tax-exempt Portfolio Shares are taxable whereby the effective tax rate is 15.4%.

Taxation of Shareholders Resident Outside Denmark

Purchase of ADSs

The purchase of ADSs has no tax effect.

Sale of ADSs

A non-resident of Denmark, irrespective of whether the non-resident is a private individual or corporate shareholder, will normally not be subject to Danish tax on any capital gains realized on the sale of shares irrespective of the holding period. Where a non-resident of Denmark holds shares that can be attributed to a permanent establishment in Denmark, such gains are taxable pursuant to the rules applying to a Danish tax resident.

Dividends

Under Danish law, dividends paid in respect of shares are generally subject to Danish withholding tax at a rate of 27%, irrespective of whether the non-resident shareholder is a private individual or a company. Non-residents of Denmark are not subject to additional Danish income tax in respect of dividends received on the shares.

With respect to dividends distributed to a foreign company as the beneficial owner, no tax is withheld on dividends derived from Subsidiary Shares or Group Shares as defined in "Taxation of Shareholders Resident in Denmark—Sale of ADSs—Companies" above. In respect of subsidiary shares, the 0% withholding tax rate on dividends is conditional upon that tax must be eliminated or reduced according to Council Directive 2011/96/EEC (EU Parent Subsidiary Directive) or a double tax treaty with the jurisdiction in which the dividend receiving company is tax resident. With respect to Group Shares, it is a requirement that the company receiving the dividends is a resident of an EU or EEA country and that withholding taxes on dividends would have been eliminated or reduced according to Council Directive 2011/96/EEC (EU Parent Subsidiary Directive) or a double tax treaty with the jurisdiction in which the dividend receiving company is resident, if the Group Shares had been Subsidiary Shares.

Corporate shareholders of Taxable or Tax-exempt Portfolio Shares and individuals who receive dividends are subject to Danish tax on such dividends at a rate of 27%. In respect of companies the effective tax rate is 22%, i.e. 5% can be reclaimed. If the shareholder (corporate or individual) holds less than 10% of the nominal share capital in the company and the shareholder is resident in a jurisdiction that has a double taxation treaty convention or other agreement on exchange of information in tax cases, dividends are generally subject to a tax rate of 15% (a lower rate may be applicable under the double taxation treaty in question). If the shareholder is tax resident outside the

EU, it is an additional requirement for eligibility for the 15% tax rate that the shareholder (together with affiliates shareholders) holds less than 10% of the nominal share capital of the company. As a result of the 27% withholding, shareholders eligible for the 15% tax rate would need to claim a refund on the excess amount withheld.

If a foreign shareholder is a tax resident within the EU/EEA or in a country that has a double tax treaty with Denmark, and the shares held by the company are allocated to a Danish permanent establishment, then the dividends should be tax-exempt if the shares held fall within the definition of Group Shares and Subsidiary Shares as defined in "Taxation of Shareholders Resident in Denmark—Sale of ADSs—Companies" above. If a foreign shareholder is not a tax resident within the EU/EEA or in a country that has a double tax treaty with Denmark, or if the dividends are derived from Taxable Portfolio Shares and Tax-exempt Portfolio Shares, the 22% rate applies. However, only 70% of any dividends from Tax-exempt Portfolio Shares are taxable, resulting in an effective tax rate of 15.4%.

Denmark has executed double tax treaties with approximately 80 countries, including the U.S. and almost all members of the EU (excluding France and Spain). If Denmark has entered into a double tax treaty with the country in which the shareholder is resident, the shareholder may, through certain certification procedures, seek a refund from the Danish tax authorities of the tax withheld in excess of the tax (typically 15%) to which Denmark is entitled under the relevant tax treaty, by completing the relevant online request to the Danish tax authorities. The treaty between Denmark and the U.S. generally provides for a 15% rate.

Share Transfer Tax

No Danish share transfer tax is payable.

U.S. Federal Income Tax Considerations for U.S. Holders

The following is a description of the material U.S. federal income tax consequences to the U.S. Holders described below of owning and disposing of the ADSs. It is not a comprehensive description of all tax considerations that may be relevant to a particular person's decision to acquire or dispose of securities. This discussion applies only to a U.S. Holder that holds the ADSs as capital assets for tax purposes. In addition, it does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including alternative minimum tax consequences and tax consequences applicable to U.S. Holders subject to special rules, such as:

- insurance companies;
- banks or certain financial institutions;
- dealers or traders in securities who use a mark-to-market method of tax accounting;
- governmental organizations;
- persons holding the ADSs as part of a hedging transaction, "straddle," wash sale, conversion transaction or integrated transaction or persons entering into a constructive sale with respect to the ADSs;
- regulated investment companies;
- real estate investment trusts, grantor trusts or other trusts;
- persons whose "functional currency" for U.S. federal income tax purposes is not the U.S. Dollar;
- brokers or dealer in securities or currencies;
- individuals who are former U.S. citizens or former long-term residents;

- tax-exempt entities, including "individual retirement accounts" and "Roth IRAs" and other tax-deferred accounts;
- partnerships, S corporations or other entities or arrangements classified as partnerships for U.S. federal income tax purposes or persons holding ADSs through any such entities;
- persons liable for alternative minimum tax;
- persons that own or are deemed to own 10% or more of our voting shares; and
- persons holding the ADSs in connection with a trade or business conducted outside the U.S.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds the ADSs, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding the ADSs and partners in such partnerships are encouraged to consult their own tax advisers as to the particular U.S. federal income tax consequences of holding and disposing of the ADSs.

The discussion is based on the Code, its legislative history, administrative pronouncements and published rulings, judicial decisions, final, temporary and proposed U.S. Treasury Regulations, and the income tax treaty between Denmark and the U.S., or the "Treaty," all as of the date hereof, changes to any of which may affect the tax consequences described herein—possibly with retroactive effect.

A "U.S. Holder," for purposes of the U.S. federal income tax discussion below, is a beneficial owner of the ADSs as capital assets within the meaning of Section 1221 of the Code, who is eligible for the benefits of the Treaty and is:

(1) an individual who is a citizen or resident of the U.S. for U.S. federal income tax purposes;

(2) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the U.S., any state therein or the District of Columbia;

(3) an estate, the income of which is subject to U.S. federal income tax regardless of its source; or

(4) a trust, if (A) a U.S. court is able to exercise its primary supervision over the trust's administration and one or more U.S. persons (as such term is defined under the Code) have authority to control all substantial decisions of the trust, or (B) the trust has a valid election in place under all applicable U.S. Treasury Regulations to treat the trust as a U.S. person (as such term is defined under the Code).

For U.S. federal income tax purposes, U.S. Holders of ADSs will be treated as the beneficial owners of the underlying shares represented by the ADSs and an exchange of ADSs for our ordinary shares will not be subject to U.S. federal income tax.

U.S. Holders are encouraged to consult their own tax advisers concerning the U.S. federal, state, local and foreign tax consequences of owning and disposing of the ADSs in their particular circumstances.

Taxation of Distributions

Subject to the PFIC rules described below, distributions paid on the ADSs, other than certain pro rata distributions of the ADSs, will generally be treated as dividends to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, we expect that distributions generally will be reported to U.S. Holders as dividends. Subject to applicable limitations, dividends paid to certain non-corporate U.S. Holders may be taxable at

preferential rates applicable to long-term capital gain. The amount of a dividend will include any amounts withheld by us in respect of Danish income taxes. The amount of the dividend will be treated as foreign-source dividend income to U.S. Holders and will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Dividends will be included in a U.S. Holder's income on the date the U.S. Holder receives the dividend. The amount of any dividend income paid in Euros will be the U.S. Dollar amount calculated by reference to the exchange rate in effect on the date of actual or constructive receipt, regardless of whether the payment is in fact converted into U.S. Dollars. If the dividend is converted into U.S. Dollars on the date of receipt, a U.S. Holder should not be required to recognize foreign currency gain or loss in respect of the dividend income. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. Dollars after the date of receipt.

Subject to applicable limitations, some of which vary depending upon the U.S. Holder's particular circumstances or how long the ADSs have been held, Danish income taxes withheld from dividends on the ADSs (or ordinary shares underlying the ADSs) at a rate not exceeding the rate provided by the Treaty will be creditable against the U.S. Holder's U.S. federal income tax liability. The rules governing foreign tax credits are complex and U.S. Holders should consult their tax advisers regarding their particular circumstances. In lieu of claiming a foreign tax credit, U.S. Holders may, at their election, deduct foreign taxes, including any Danish income tax, in computing their taxable income, subject to generally applicable limitations under U.S. law. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the taxable year.

Corporations will not be entitled to claim a dividends-received deduction with respect to distributions made by us. Dividends may constitute foreign source passive income for purposes of the U.S. foreign tax credit rules. U.S. Holders should consult their own tax advisors as to their ability, and the various limitations on their ability, to claim foreign tax credits in connection with the receipt of dividends.

Sale or Other Taxable Disposition of the ADSs

Subject to the PFIC rules described below, gain or loss realized on the sale or other taxable disposition of the ADSs will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder held the ADSs for more than one year. The amount of the gain or loss will equal the difference between the U.S. Holder's tax basis in the ADSs disposed of and the amount realized on the disposition, in each case as determined in U.S. Dollars. This gain or loss will generally be U.S.-source gain or loss for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

Passive Foreign Investment Company Rules

Under the Code, we will be a PFIC for any taxable year in which, after the application of certain "look-through" rules with respect to subsidiaries, either (i) 75% or more of our gross income consists of "passive income," or (ii) 50% or more of the average quarterly value of our assets consist of assets that produce, or are held for the production of, "passive income." Passive income generally includes interest, dividends, rents, certain non-active royalties and capital gains. Whether we will be a PFIC in any year depends on the composition of our income and assets, and the relative fair market value of our assets from time to time, which we expect may vary substantially over time. Because (i) we currently own a substantial amount of passive assets, including cash, and (ii) the values of our assets, including our intangible assets, that generate non-passive income for PFIC purposes, is uncertain and may vary substantially over time, it is uncertain whether we will be a PFIC in any year. ***We believe, however, that we were a PFIC for each of the years ended December 31, 2016, 2015 and 2014, and may be classified as a PFIC in future years.*** If we are a PFIC for any year during which a U.S. Holder holds the ADSs, we generally would continue to be treated as a PFIC with respect to that U.S. Holder for all succeeding years during which the U.S. Holder holds the ADSs, unless we ceased to meet the threshold

requirements for PFIC status and that U.S. Holder made a qualifying "deemed sale" election with respect to the ADSs. If such election is made, the U.S. Holder will be deemed to have sold the ADSs it holds at their fair market value on the last day of the last taxable year in which we qualified as a PFIC, and any gain from such deemed sale would be subject to the consequences described below. After the deemed sale election, the ADSs with respect to which the deemed sale election was made will not be treated as shares in a PFIC unless we subsequently become a PFIC.

If we are a PFIC for any taxable year during which a U.S. Holder holds the ADSs, the U.S. Holder may be subject to adverse tax consequences. Generally, gain recognized upon a disposition (including, under certain circumstances, a pledge) of the ADSs by the U.S. Holder would be allocated ratably over the U.S. Holder's holding period for such ADSs. The amounts allocated to the taxable year of disposition and to years before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and would be increased by an additional tax equal to interest on the resulting tax deemed deferred with respect to each such other taxable year. Further, to the extent that any distribution received by a U.S. Holder on its ADSs exceeds 125% of the average of the annual distributions on such ADSs received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner described immediately above with respect to gain on disposition.

If we are a PFIC for any taxable year during which any of our non-U.S. subsidiaries is also a PFIC, a U.S. Holder of ADSs during such year would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules to such subsidiary. U.S. Holders should consult their tax advisers regarding the tax consequences if the PFIC rules apply to any of our subsidiaries.

Alternatively, if we are a PFIC and if our ADSs are "regularly traded" on a "qualified exchange," a U.S. Holder may be eligible to make a mark-to-market election that would result in tax treatment different from the general tax treatment described above. Our ADSs would be treated as "regularly traded" in any calendar year in which more than a *de minimis* quantity of the ADSs are traded on a qualified exchange on at least 15 days during each calendar quarter. NASDAQ is a qualified exchange for this purpose. Additionally, because a mark-to-market election cannot be made for equity interests in any lower-tier PFIC that we may own, a U.S. Holder that makes a mark-to-market election with respect to us may continue to be subject to the PFIC rules with respect to any indirect investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. If a U.S. Holder makes the mark-to-market election, the U.S. Holder generally will recognize as ordinary income any excess of the fair market value of the ADSs at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the ADSs over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. Holder makes the election, the U.S. Holder's tax basis in the ADSs will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of ADSs in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election).

If a U.S. Holder makes a mark-to-market election it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the ADSs are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election. U.S. Holders are urged to consult their tax advisers about the availability of the mark-to-market election, and whether making the election would be advisable in their particular circumstances.

Alternatively, a U.S. Holder of stock in a PFIC may make a so-called "Qualified Electing Fund" election to avoid the PFIC rules regarding distributions and gain described above. U.S. Holders should

be aware, however, that we are not required to satisfy the record- keeping and other requirements that would permit U.S. Holders to make qualified electing fund elections.

In addition, if we are a PFIC or, with respect to particular U.S. Holders, are treated as a PFIC for the taxable year in which we paid a dividend or for the prior taxable year, the preferential rates discussed above with respect to dividends paid to certain non-corporate U.S. Holders would not apply.

U.S. Holders should consult their tax advisers regarding the potential application of the PFIC rules.

Net Investment Income Tax

In general, a U.S. Holder that is an individual, an estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% tax on the lesser of (1) the U.S. Holder's "net investment income" for the relevant taxable year and (2) the excess of the U.S. Holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between $125,000 and $250,000, depending on the individual's filing status). A holder's net investment income will include its gross dividend income and its net gains from the disposition of ADSs, unless such dividends or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). **If you are a U.S. Holder that is an individual, estate or trust, you are encouraged to consult your tax advisers regarding the applicability of the net investment income tax to your income and gains in respect of your investment in the ADSs.**

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds received on the sale of other distributions of ADSs that are made within the U.S. or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding, and otherwise complies with the applicable backup withholding rules.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

If a U.S. Holder owns ADS during any year in which we are a PFIC, such U.S. Holder (including, potentially, indirect holders) generally must file an IRS Form 8621 with such holder's federal income tax return for that year. Certain U.S. Holders who are individuals may be required to report information relating to their ownership of an interest in certain foreign financial assets, including shares of a non-U.S. person, generally on Form 8938, subject to exceptions (including an exception for shares held through a U.S. financial institution).

U.S. Holders should consult their tax advisers regarding their reporting obligations with respect to the ADSs.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A CURRENT OR PROSPECTIVE INVESTOR. EACH CURRENT OR PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN ADSs IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES, INCLUDING THE APPLICABILITY AND EFFECT OF THE TAX LAWS OF ANY STATE, LOCAL OR NON-U.S. JURISDICTION AND INCLUDING ESTATE, GIFT, AND INHERITANCE LAWS.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to the informational requirements of the Exchange Act. Accordingly, we are required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K in limited circumstances; however, we may elect to make additional information available on Form 6-K. You may inspect and copy reports and other information filed with the SEC at the Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

I. Subsidiary Information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT RISK

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

Market Risk

Foreign currency exchange rate risk

We are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, GBP, and the Euro.

Forward Pharma A/S' and our wholly owned subsidiary Forward Pharma FA ApS' functional currency is the DKK, our wholly owned subsidiary Forward Pharma GmbH's functional currency is the Euro, and our wholly owned subsidiary Forward Pharma USA, LLC's functional currency is the USD. Our expenses to date have been largely denominated in GBP, USD, DKK, and in Euro and therefore we are impacted by changes in foreign currency exchange rates.

As of December 31, 2016, we had $80.8 million that was invested in interest bearing instruments in USD, GBP or Euro denominations with maturities not exceeding two years. While we intended to structure the currencies and maturities of our investments to be consistent with our projected cash requirements, the strengthening or weakening of the USD, DKK, GBP or the Euro could have a material impact, which could be negative, on our financial position and results of operations.

We do not believe there is currently a need to enter into specific contracts to reduce the exposure to changes in foreign exchange rates, such as by entering into options or forward contracts. We may in the future consider using options or forward contracts to manage currency transaction exposures. During the year ended December 31, 2016, we experienced a gain of approximately $598,000 resulting primarily from the strengthening of the USD compared to the DKK as Forward Pharma A/S holds investments denominated in USD and uses the DKK as its functional currency. Future changes in foreign exchange rates could impact our reported operating results and the impact could be material.

We estimate a 10% increase in the value of the U.S. Dollar relative to the Euro and the DKK would have decreased our net loss for the year ended December 31, 2016 by approximately $2.9 million. A 10% decrease in the value of the U.S. Dollar relative to the Euro and the DKK would have increased our net loss for the year ended December 31, 2016 by a corresponding amount.

On February 9, 2017 we received the Non-refundable Fee that, at the time, increased our USD cash position to over $1.25 billion while having material obligations payable in DKK and Euros (including income tax liabilities in Denmark and Germany.) We also plan to make a dividend, distribution, share repurchase or other return of capital to our shareholders that will be payable in Euros. Our increased cash reserves combined with material obligations payable in different currencies expose the Company to even greater risk of loss in the future caused by movements in foreign exchange rates. During February and March of 2017, to reduce our exposure to changes in foreign exchange rates, we converted $1.25 billion into 1.17 billion Euros.

Interest rate risk

Our investment strategy is to protect principal and accordingly we invest in only highly rated financial instruments with maturities not exceeding two years. We do not use financial instruments for trading or speculative purposes and plan to hold our investments until they mature. As of December 31, 2016, the Company has invested approximately $80.8 million in debt instruments issued by the governments of Germany (denominated in Euros), Great Britain (denominated in GBP) and the U.S. (denominated in USD) (collectively "Bonds") that pay interest at fixed rates. The effective yield on the Bonds is less than 1%. Should market interest rates rise in the future, it would have a negative effect on the fair value of the Bonds, which could be material, and would result in a realized loss if a Bond was sold before maturity. As of December 31, 2016, the impact on the fair value of the Bonds of a possible increase or decrease in the interest rates would be as follows:

Denomination Currency	Possible change	As of December 31, 2016 USD '000
EUR	+/–1%-point	413
GBP	+/–1%-point	17
USD	+/–1%-point	359

Credit Risk

Our liquid assets are invested in government issued debt instruments of Germany, Great Britain or the U.S. with maturities of two years or less. The Company's cash and cash equivalents are held primarily at three banks in Denmark with Moody's long-term credit ratings of Aa3, Aa3 and A1, respectively. The Moody's credit rating of each of the individual governments is Aa1 or better. We do not invest in equity instruments or derivatives. We intend to hold our available-for-sale financial assets until maturity; however, it is possible that we may need to dispose of an investment before maturity that could result in material losses. Our investment criteria require preservation of capital by investing in a diversified group of highly rated debt instruments.

Liquidity Risk

We believe that our cash, cash equivalents and available for sale financial assets held at December 31, 2016, will enable us to fund our operating expenses and capital expenditure requirements beyond the next twelve months.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Pursuant to the terms of the deposit agreement, the holders of ADSs will be required to pay the following fees:

Persons depositing or withdrawing ordinary shares or ADSs must pay:	For:
$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	• Issue of ADSs, including issues resulting from a distribution of ordinary shares or rights or other property • Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
$0.05 (or less) per ADS	• Any cash distribution to the holder
A fee equivalent to the fee that would be payable if securities distributed to you had been ordinary shares and the shares had been deposited for issue of ADSs	• Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to the holder
$0.05 (or less) per ADS per calendar year	• Depositary services
Registration or transfer fees	• Transfer and registration of ordinary shares on our share register to or from the name of the depositary or its agent when a holder deposits or withdraws shares
Expenses of the depositary	• Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement) • Converting foreign currency to U.S. Dollars
Taxes and other governmental charges the depositary or the custodian have to pay on any ADS or share underlying an ADS, for example, share transfer taxes, stamp duty or withholding taxes	• As necessary
Any charges incurred by the depositary or its agents for servicing the deposited securities	• As necessary

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing ordinary shares or surrendering ADSs for the purpose of withdrawal or from intermediaries

acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may collect any of its fees by deduction from any cash distribution payable to ADS holders that are obligated to pay those fees. The depositary may generally refuse to provide for-fee services until its fees for those services are paid.

From time to time, the depositary may make payments to us to reimburse or share revenue from the fees collected from ADS holders, or waive fees and expenses for services provided, generally relating to costs and expenses arising out of establishment and maintenance of the ADS program. In performing its duties under the deposit agreement, the depositary may use brokers, dealers or other service providers that are affiliates of the depositary and that may earn or share fees or commissions.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

A. Defaults

No matters to report.

B. Arrears and Delinquencies

No matters to report.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

No matters to report.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

We maintain a set of disclosure controls and other procedures designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act are recorded, processed, summarized and reported, within the time periods specified and in accordance with the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act are accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2016.

It should be noted that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment and makes assumptions about the likelihood of future events. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. Based on the evaluation of our disclosure controls and procedures as of December 31, 2016, our principal executive officer and principal financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level in timely alerting them to material information required to be included in our periodic SEC reports.

B. Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under this framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2016.

C. Attestation Report of the Registered Public Accounting Firm

This Annual Report does not include an attestation report of our registered public accounting firm due to the exemption from this requirement for emerging growth companies established by the JOBS Act.

D. Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the year ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of Directors has determined that Grant Hellier Lawrence is an audit committee financial expert, as that term is defined by the SEC, and is independent in accordance with NASDAQ rules.

ITEM 16B. CODE OF ETHICS

We have adopted a Code of Business Conduct and Ethics, which applies to all of our board members and employees, including our principal executive, principal financial and principal accounting officers. Our Code of Business Conduct and Ethics is intended to meet the definition of "code of ethics" under Item 16B of Form 20-F under the Exchange Act.

Our Code of Business Conduct and Ethics is available on our website at www.forward-pharma.com. The information contained on our website is not incorporated by reference in this Annual Report.

Any amendments or waivers from the provisions of our Code of Business Conduct and Ethics will be made only after approval by our audit committee and will be disclosed on our website promptly following the date of such amendment or waiver.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our auditors, Ernst & Young P/S, have performed the following services for the Company during the past two years:

	2016	2015
	(in thousands of USD)	
Audit	$ 297	$ 348
Audit related	—	—
Total	$ 297	$ 348

All services provided to the Company by Ernst & Young P/S are reviewed and approved by our audit committee in advance of commencement of services.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

In 2016, no purchases of our equity securities were made by or on behalf of the Company or any affiliated purchaser.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

Our ADSs are listed on the Nasdaq Global Select Market. However, as a foreign private issuer, we are permitted to follow the corporate governance practices of our home country in lieu of certain provisions of the NASDAQ Listing Rules.

The material ways in which our corporate governance practices differ from those applicable to U.S. companies under the NASDAQ Listing Rules are:

- We are not required to have an audit committee comprised of at least three members, and our audit committee is currently comprised of only two members.
- A majority of the members of our board of directors are not required to be, however, a majority of our directors are, "independent directors" as defined in the NASDAQ Listing Rules.
- We are not required to adopt a formal written charter or board resolution addressing the process for the nomination of directors. We do not have a nominations committee, nor have we adopted a board resolution addressing the nominations process.
- We are not required to hold regularly scheduled board meetings at which only independent directors are present.
- No quorum requirement applies to our meetings of shareholders.
- We are not required to obtain shareholder approval for material revisions to our share-based incentive plans.
- We are not required to solicit proxies or provide proxy statements to NASDAQ pursuant to NASDAQ corporate governance rules or Danish law. Consistent with Danish law and as provided in our Articles of Association, we will notify our shareholders of meetings with at least two weeks' but not more than four weeks' notice. This notification will contain, among other things, information regarding business to be transacted at the meeting. In addition, our bylaws provide that shareholders must give us not less than six weeks' advance notice to properly introduce any business at an annual meeting of shareholders.

Other than as noted above, we are in compliance with other NASDAQ Listing Rules applicable to U.S. domestic issuers.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have responded to Item 18 in lieu of this item.

ITEM 18. FINANCIAL STATEMENTS

The Financial Statements filed as part of this Annual Report begin on page F-1.

ITEM 19. EXHIBITS

Exhibit Index

Exhibit Number	Description
1.1	English translation of Articles of Association of Forward Pharma A/S dated March 29, 2017.
2.1(2)	Registration Rights Agreement, dated September 11, 2014, between Forward Pharma A/S and each of the investors listed on Schedule A thereto.
2.2(4)	Deposit Agreement between the Registrant and The Bank of New York Mellon, as depositary, dated October 14, 2014.
2.3(4)	Form of American Depositary Receipt (included in Exhibit 2.2).
2.4(2)	Shareholders' Agreement, dated September 8, 2014, between Nordic Biotech K/S, Nordic Biotech Opportunity Fund K/S, NB FP Investment K/S and NB FP Investment II K/S.
2.5(1)	Convertible Loan Agreement, dated May 30, 2014, between Forward Pharma A/S and NB FP Investment II K/S.
2.6(1)	Convertible Loan Agreement, dated August 6, 2014, between Forward Pharma A/S and BVF Forward Pharma L.P.
2.7(3)	Stock Lending Agreement among Nordic Biotech Opportunity Fund K/S, Leerink Partners and Forward Pharma A/S, dated October 16, 2014.
4.1(1)	Patent Transfer Agreement, dated May 4, 2010, between Forward Pharma A/S and Aditech Pharma AG.
4.2(6)	Addendum to Patent Transfer Agreement, dated January 17, 2017, between Forward Pharma A/S and Aditech Pharma AG.
4.3(1)	Form of Director and Officer Indemnification Agreement.
4.4(1)	Indemnification Agreement with Joel Sendek.
4.5(5)	Forward Pharma A/S 2014 Omnibus Equity Incentive Compensation Plan.
4.6	Settlement and License Agreement, dated January 17, 2017, between Forward Pharma A/S, Biogen Swiss Manufacturing GmbH, Biogen International Holding Ltd. and certain other parties named therein.
4.7(6)	Letter Agreement regarding the Settlement and License Agreement, dated January 17, 2017, between Forward Pharma A/S, Biogen Swiss Manufacturing GmbH, Biogen International Holding Ltd. and certain other parties named therein.
4.8(6)	Letter Agreement regarding the Addendum to Patent Transfer Agreement, dated January 17, 2017, between Forward Pharma A/S and Aditech Pharma AG.

Exhibit Number	Description
4.9(6)	Form of Shareholders Commitment Agreement.
8.1(1)	List of Subsidiaries
12.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.
12.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.
13.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
13.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
23.1	Consent of Ernst & Young P/S, Independent Registered Public Accounting Firm

(1) Incorporated by reference from the Registrant's Registration Statement on Form F-1 (Registration No. 333-198013) filed with the SEC on August 11, 2014.

(2) Incorporated by reference from the Registrant's Amendment No. 1 to Registration Statement on Form F-1 (Registration No. 333-198013) filed with the SEC on September 12, 2014.

(3) Incorporated by reference from the Registrant's Amendment No. 4 to Registration Statement on Form F-1 (Registration No. 333-198013) filed with the SEC on October 9, 2014.

(4) Incorporated by reference from the Registrant's Annual Report on Form 20-F filed with the SEC on March 25, 2015.

(5) Incorporated by reference from the Registrant's Registration Statement on Form S-8 (Registration No. 333-203312) filed with the SEC on April 9, 2015.

(6) Incorporated by reference from the Registrant's Current Report on Form 60K filed with the SEC on January 17, 2017.

SIGNATURE

The Registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

FORWARD PHARMA A/S

By: /s/ CLAUS BO SVENDSEN

Name: Claus Bo Svendsen
Title: *Chief Executive Officer*

Date: April 18, 2017

Forward Pharma A/S

Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Forward Pharma A/S

We have audited the accompanying consolidated statements of financial position of Forward Pharma A/S as of December 31, 2016 and 2015 and the related consolidated statements of profit or loss, other comprehensive loss, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Forward Pharma A/S at December 31, 2016 and 2015 and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2016, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Ernst & Young P/S
Copenhagen, Denmark
April 18, 2017

Consolidated Statement of Financial Position

as of December 31, 2016 and 2015

	Notes	December 31, 2016 USD '000	December 31, 2015 USD '000
Assets			
Equipment	3.1	268	352
Available-for-sale financial assets	4.4	—	82,746
Deferred tax, net	2.5	23,064	—
Other non-current assets	5.2	5	5
Total non-current assets		23,337	83,103
Prepayments	3.2	656	5,048
Income tax receivable	2.5	—	158
Other receivables	3.3	427	689
Available-for-sale financial assets	4.4	80,825	41,637
Cash and cash equivalents		57,898	52,269
Total current assets		139,806	99,801
Total assets		163,143	182,904

	Notes	December 31, 2016 USD '000	December 31, 2015 USD '000
Equity and Liabilities			
Share capital	4.1	800	796
Share premium		339,955	339,845
Other components of equity:			
Foreign currency translation reserve		(37,771)	(32,875)
Fair value adjustment available-for-sale financial assets		218	102
Accumulated deficit		(147,400)	(131,175)
Equity attributable to shareholders of the parent		155,802	176,693
Total equity		155,802	176,693
Trade payables	4.4	2,073	3,986
Income tax payable		201	—
Accrued liabilities		5,067	2,225
Total current liabilities		7,341	6,211
Total equity and liabilities		163,143	182,904

See accompanying notes to these consolidated financial statements

Consolidated Statement of Profit or Loss

for the years ended December 31, 2016, 2015 and 2014

amounts in thousands except per share amounts

	Notes	Year ended December 31, 2016 USD	2015 USD	2014 USD
Research and development costs	2.3, 2.4, 3.1	(41,052)	(33,727)	(10,547)
General and administrative costs	2.3, 2.4, 2.7, 3.1, 5.1	(14,382)	(15,852)	(9,154)
Operating loss		(55,434)	(49,579)	(19,701)
Fair value adjustment to net settlement obligation to shareholder warrants	4.4	—	—	(968)
Fair value adjustment to convertible loans	3.4	—	—	(3,823)
Exchange rate gain, net		598	11,933	5,589
Interest income		389	438	63
Interest expense	3.4, 4.4	—	—	(416)
Other finance costs		(92)	(132)	(10)
Net loss before tax		(54,539)	(37,340)	(19,266)
Income tax benefit	2.5	21,203	336	250
Net loss for the year		(33,336)	(37,004)	(19,016)
Net loss for the year attributable to:				
Equity holders of the Parent		(33,336)	(37,004)	(19,016)
Net loss per share basic and diluted	2.6	(0.71)	(0.79)	(1.79)

See accompanying notes to these consolidated financial statements

Consolidated Statement of Other Comprehensive Loss

for the years ended December 31, 2016, 2015 and 2014

	Notes	Year ended December 31, 2016 USD '000	2015 USD '000	2014 USD '000
Net loss for the year		(33,336)	(37,004)	(19,016)
Other comprehensive loss				
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:				
Change in fair value of available-for-sale financial assets	4.4	116	340	(238)
Exchange differences on translation of foreign operations		(4,896)	(22,733)	(8,656)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods		(4,780)	(22,393)	(8,894)
Other comprehensive loss		(4,780)	(22,393)	(8,894)
Total comprehensive loss		(38,116)	(59,397)	(27,910)
Attributable to:				
Equity holders of the parent		(38,116)	(59,397)	(27,910)

See accompanying notes to these consolidated financial statements

Consolidated Statement of Changes in Shareholders' Equity

for the years ended December 31, 2016, 2015 and 2014

	Notes	Share capital	Share premium	Foreign currency translation reserve	Fair value adjustment available-for-sale financial assets	Accumulated deficit	Total equity
		USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
At January 1, 2014		287	26,697	(1,486)	—	(51,913)	(26,415)
Net loss for the year		—	—	—	—	(19,016)	(19,016)
Other comprehensive loss		—	—	(8,656)	(238)	—	(8,894)
Total comprehensive loss		—	—	(8,656)	(238)	(19,016)	(27,910)
Issue of share capital for cash	4.1	3	2,005	—	—	—	2,008
Cost related to capital increase		—	(8)	—	—	—	(8)
Exercise of warrants	4.4	25	29,483	—	—	—	29,508
Class B Award	2.6	3	42,731	—	—	(42,734)	—
Change in nominal value	4.1	262	(262)	—	—	—	—
Proceeds from initial public offering ("IPO")	4.1	191	235,009	—	—	—	235,200
Cost related to IPO	2.7		(20,489)	—	—	—	(20,489)
Conversion of interest-bearing convertible loans to share capital	3.4	20	24,529	—	—	—	24,549
Share-based payment costs	2.4	—	—	—	—	5,951	5,951
Transactions with owners		504	312,998	—	—	(36,783)	276,719
At December 31, 2014		791	339,695	(10,142)	(238)	(107,712)	222,394
At January 1, 2015		791	339,695	(10,142)	(238)	(107,712)	222,394
Net loss for the year		—	—	—	—	(37,004)	(37,004)
Other comprehensive income (loss)		—	—	(22,733)	340	—	(22,393)
Total comprehensive income (loss)		—	—	(22,733)	340	(37,004)	(59,397)
Issuance of deferred shares	4.1	2	—	—	—	—	2
Exercise of warrants	4.1	3	150	—	—	—	153
Share-based payment costs	2.4	—	—	—	—	13,541	13,541
Transactions with owners		5	150	—	—	13,541	13,696
At December 31, 2015		796	339,845	(32,875)	102	(131,175)	176,693
At January 1, 2016		796	339,845	(32,875)	102	(131,175)	176,693
Net loss for the year		—	—	—	—	(33,336)	(33,336)
Other comprehensive income (loss)		—	—	(4,896)	116	—	(4,780)
Total comprehensive income (loss)		—	—	(4,896)	116	(33,336)	(38,116)
Issuance of deferred shares	4.1	2	—	—	—	—	2
Exercise of warrants	4.1	2	110	—	—	—	112
Share-based payment costs	2.4	—	—	—	—	14,288	14,288
Tax benefit resulting from share-based payment costs	2.5	—	—	—	—	2,823	2,823
Transactions with owners		4	110	—	—	17,111	17,225
At December 31, 2016		800	339,955	(37,771)	218	(147,400)	155,802

See accompanying notes to these consolidated financial statements

Consolidated Statement of Cash Flows

for the years ended December 31, 2016, 2015 and 2014

	Notes	Year ended December 31, 2016 USD '000	2015 USD '000	2014 USD '000
Operating activities:				
Net loss before tax		(54,539)	(37,340)	(19,266)
Adjustments to reconcile loss before tax to net cash flow:				
Fair value adjustment to net settlement obligation shareholder warrants and convertible loans	3.4, 4.4	—	—	4,791
Share-based payment costs	2.4	14,288	13,541	5,951
Depreciation expense		109	37	3
Other finance adjustments including foreign exchange rate gain (loss)		(986)	(12,372)	(1,783)
Cash inflow interest		1,006	1,451	—
Cash inflow taxes		291	466	—
Decrease (increase) in other receivables and prepayments		1,526	(4,841)	(1,239)
Increase in trade and other payables		4,200	3,931	2,083
Net cash flows used in operating activities		(34,105)	(35,127)	(9,460)
Investing activities:				
Purchase of available-for-sale financial assets	4.4	—	—	(191,110)
Increase in other non-current assets	5.2	—	—	(5)
Proceeds from the maturity of available-for-sale financial assets		41,201	43,412	—
Purchase of equipment	3.1	(31)	(382)	(6)
Net cash flows provided by (used in) investing activities		41,170	43,030	(191,121)
Financing activities:				
Proceeds from issuance of interest-bearing convertible loans	3.4, 4.4	—	—	21,284
Shares issued for cash net of transaction costs	4.1	114	155	1,976
Proceeds from IPO net of underwriters' commission	4.1	—	—	218,736
IPO transaction costs excluding underwriters' commission	2.7, 4.1	—	—	(4,425)
Net cash flows provided by financing activities		114	155	237,571
Net increase in cash and cash equivalents		7,179	8,058	36,990
Net foreign exchange differences		(1,550)	(1,138)	5,404
Cash and cash equivalents at January 1		52,269	45,349	2,955
Cash and cash equivalents at December 31		57,898	52,269	45,349

See accompanying notes to these consolidated financial statements

Notes to Consolidated Financial Statements

Corporate information

Forward Pharma A/S (the "Company or "Parent") is a limited liability company incorporated and domiciled in Denmark. The registered office is located in Copenhagen, Denmark. The consolidated financial statements include the Company's wholly owned German, United States and Danish subsidiaries, Forward Pharma GmbH ("FP GmbH"), Forward Pharma USA, LLC and Forward Pharma FA ApS, respectively. The Company and its subsidiaries are collectively referred to as the Group. The Company's board of directors authorized the issuance of the financial statements included herein on March 29, 2017.

As discussed in more detail below, the Company entered into a Settlement and License Agreement (the "License Agreement") with two wholly owned subsidiaries of Biogen, Inc. (collectively "Biogen"). Prior to entering into the License Agreement, the Company was actively developing FP187, a proprietary formulation of dimethyl fumarate ("DMF"), for the treatment of multiple sclerosis ("MS") patients. As a result of entering into the License Agreement, the future development and sale by the Company of FP187 or another DMF-containing formulation (collectively "DMF Formulation") is uncertain at this time and will be determined based on the outcome of matters discussed further below. Under certain conditions, the Company may decide to reinitiate the development of FP187, or initiate the development of another DMF Formulation; currently, development of a DMF Formulation for the United States market will be limited to finishing the research and development work that was in process prior to the effective date of the License Agreement.

The Company announced on March 1, 2017 plans to finish its remaining research and development efforts and pursue an organizational realignment to reduce personnel and operating expenses by mid-year 2017.

Settlement and License Agreement

On February 1, 2017, the License Agreement with Biogen and certain additional parties became effective. The License Agreement provides Biogen with a co-exclusive license in the United States, and an exclusive license outside the United States, to the Company's intellectual property, effective as of February 9, 2017. Biogen also is required, if certain conditions are met within the time period set forth in the License Agreement, including the termination or expiration of any required waiting period under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, ("HSR Act") to obtain an exclusive license to the Company's intellectual property in the United States.

In accordance with the License Agreement, Biogen paid the Company a non-refundable fee of $1.25 billion ("Non-refundable Fee") in February 2017, and could be obligated to pay the Company royalties in the future subject to the outcome of certain matters discussed below.

On April 13, 2015, an administrative patent judge at the United States Patent Trial and Appeal Board ("PTAB") declared Patent Interference No. 106,023 ("Interference Proceeding") between the Company's United States Patent Application No. 11/567,871 and United States Patent No. 8,399,514 held by a subsidiary of Biogen, Inc. The License Agreement does not resolve the Interference Proceeding between the Company and Biogen or the pending opposition proceeding against the Company's European patent EP2801355 ("Opposition Proceeding"). The Company and Biogen intend to permit the PTAB and the United States Court of Appeals for the Federal Circuit ("Federal Circuit"), as applicable, and the European Patent Office ("EPO") and the Technical Board of Appeal and the Enlarged Board of Appeal, as applicable, to make final determinations in the proceedings before them. If the Company is successful in the Interference Proceeding and/or the Opposition Proceeding, it will be eligible to receive royalties starting as early as 2021 based on Biogen's net sales of DMF-containing products indicated for treating MS as defined in the License Agreement, provided

Notes to Consolidated Financial Statements (Continued)

that other conditions of the License Agreement are satisfied within the time period set forth in the License Agreement.

If the Company is successful in the Interference Proceeding (i.e., the Company obtains, as a result of the Interference Proceeding and any appeals therefrom to the Federal Circuit (including *en banc* review), a patent with a claim covering oral treatment of MS with 480 mg per day of DMF), and if Biogen obtains an exclusive license in the United States, the Company may be eligible beginning on January 1, 2021 to collect a 10% royalty (increasing to 20% from January 1, 2029) until the earlier of the expiration or invalidation of the patents defined in the License Agreement, on Biogen's net sales in the United States of DMF-containing products indicated for treating MS that, but for the rights granted under the License Agreement, would infringe a Company patent, provided that other conditions of the License Agreement are satisfied. Among the conditions that needs to be satisfied for any royalty to be payable by Biogen to the Company is the absence of generic entry having a particular impact as defined in the License Agreement. If Biogen obtains an exclusive license in the United States, we would likely permanently discontinue development of a DMF Formulation.

If the Company is successful in the Interference Proceeding, but certain conditions are not met in the United States, including if restraints are placed on Biogen as a result of the process under the HSR Act, and if Biogen does not obtain an exclusive license, the Company could reinitiate the development of a DMF Formulation for sale in the United States under a co-exclusive license with Biogen, which the Company may assign, on one occasion only, to a single third party. Under the co-exclusive license, the Company would be eligible beginning on January 1, 2023 to collect royalties of 1% on Biogen's net sales in the United States of DMF-containing products indicated for treating MS that, but for the rights granted under the License Agreement, would infringe a Company patent, provided that other conditions of the License Agreement are satisfied. Among the conditions that need to be satisfied for any royalty to be payable by Biogen to the Company is the absence of generic entry having a particular impact as defined in the License Agreement. If the Company is unsuccessful in the Interference Proceeding after any appeals, the Company would not be entitled to future royalties on Biogen's net sales in the United States. Moreover, if Biogen prevails in the Interference Proceeding and inter partes review ("IPR"), after any appeals to the Federal Circuit, the Company may be prevented from commercializing FP187 for MS in the United States at a 480 mg per day dose. Were this to occur, the Company would review opportunities to develop other DMF-containing formulations and products, including generics, consistent with the terms of the License Agreement. If the Company is unable to commercialize FP187 or any other product for sale in the United States, the Company would be unable to generate any revenue from such a product.

If the Company is successful in the Opposition Proceeding (i.e., the Company obtains, as a result of the Opposition Proceeding, and any appeals therefrom, a patent with a claim covering oral treatment of MS with 480 mg/day of DMF), it would be eligible beginning on January 1, 2021 to collect a 10% royalty (increasing to 20% from January 1, 2029) until the earlier of the expiration or invalidation of the patents defined in the License Agreement, on a country-by-country basis on Biogen's net sales outside the United States of DMF-containing products indicated for treating MS that, but for the rights granted under the License Agreement, would infringe a Company patent, provided that other conditions of the License Agreement are satisfied. Among the conditions that needs to be satisfied for any royalty to be payable by Biogen to the Company is the absence of generic entry in a particular geography having a particular impact as defined in the License Agreement. If the Company is unsuccessful in the Opposition Proceeding, the Company would not be entitled to future royalties on Biogen's net sales outside the United States.

On March 31, 2017, the PTAB issued a decision in the Interference Proceeding in favor of Biogen. The PTAB ruled that the claims of the Company's United States Patent Application No. 11/567,871 are

Notes to Consolidated Financial Statements (Continued)

not patentable due to a lack of adequate written description. The Company intends to appeal the decision to the Federal Circuit.

The receipt of the Non-refundable Fee triggered a $25 million obligation payable to Aditech Pharma AG in accordance with the patent transfer agreement between the Company and Aditech Pharma AG. See Note 5.2. Further, the License Agreement had a favorable effect on Management's evaluation at year-end of whether previously unrecognized deferred tax assets would be realized. See Note 2.5.

Public listing of American Depositary Shares representing Ordinary Shares

During the fourth quarter of 2014 the Company completed the initial public offering ("IPO") of American Depositary Shares ("ADS") representing ordinary shares of the Company in the United States and issued 11.2 million ADSs at a price per ADS of $21.00 to investors. The IPO proceeds totaled $235.2 million before deducting the underwriters' commission (7% of gross proceeds) and other direct and incremental costs associated with the IPO. Each ADS represents one ordinary share with a per share nominal value of 0.10 Danish Kroner ("DKK"). Each ordinary share is entitled to one vote. Immediately prior to the IPO, Class A shares were issued to the Class B shareholders ("Class B Award") in consideration for amendments to certain contractual rights held by the Class B shareholders, all of the Company's outstanding Class A and Class B shares were converted into ordinary shares on a 1 for 1 basis ("Share Conversion"), and additional ordinary shares ("Proportional Shares") were issued to all shareholders in proportion to their respective ownership. Finally, a share split of 10 for 1 ("Share Split") was completed immediately prior to the IPO. The Company accounted for the Class B Award as a preferential share issuance that resulted in an increase in the loss attributable to ordinary shareholders of $42.7 million for the year ended December 31, 2014. All share and per share information included herein has been adjusted to reflect the issuance of the Proportional Shares and the Share Split as if they had occurred as of the beginning of the earliest period presented, unless otherwise stated, since the issuance of the Proportional Shares and the Share Split resulted in no additional consideration received by the Company nor did it change the individual ownership percentages of individual shareholders of the Company. The issuance of the Class B Award and the Share Conversion are reflected herein on the dates such issuances occurred except for the per share information disclosed in the consolidated statement of profit and loss and Note 2.6 where the Share Conversion is assumed to have occurred at the beginning of the earliest period presented. The details of the shares issued in connection with the Class B Award and Share Conversion are summarized in Note 4.1.

Section 1—Basis of Preparation

1.1 Accounting policies

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that were measured at fair value and are disclosed in Notes 3.4 and 4.4. The consolidated financial statements are presented in United States Dollars ("USD"), and all values are rounded to the nearest thousand (USD '000), except when otherwise indicated.

Notes to Consolidated Financial Statements (Continued)

Section 1—Basis of Preparation (Continued)

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as of December 31, 2016 and 2015 and for the years ended December 31, 2016, 2015 and 2014.

FP GmbH has been consolidated for all periods presented herein. Forward Pharma USA, LLC has been consolidated since its inception on July 25, 2014. Forward Pharma FA ApS has been consolidated since its inception on December 3, 2015. The Company's consolidation of each subsidiary will continue until the date the Company no longer controls the subsidiary. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances and transactions are eliminated in consolidation.

Translation from functional currencies to presentation currency

The Company's consolidated financial statements are presented in USD which is not the functional currency of the Company. The Group has elected USD as the presentation currency due to the fact that the Company has listed ADSs on the Nasdaq Global Select Exchange, or NASDAQ, in the United States, under the ticker symbol "FWP".

In the translation to the presentation currency for entities with a functional currency different from the USD, their assets and liabilities are translated to USD using the closing rate as of the date of the statements of financial position while income and expense items for each statement presenting profit or loss and other comprehensive income are generally translated into USD at the average exchange rates for the year. Exchange differences arising from such translation are recognized directly in other comprehensive loss and presented in a separate reserve in equity. The Group uses the direct method of consolidation and recycles the translation differences on disposal of foreign operations.

Foreign currencies transactions and balances

The Company and each of its subsidiaries determine their respective functional currency based on facts and circumstances and the technical requirements of IFRS. Items included in the financial statements of each entity are measured using the functional currency. The Company and its wholly owned subsidiary Forward Pharma FA ApS's functional currency is the DKK, the Company's wholly owned subsidiary FP GmbH's functional currency is the Euro and the Company's wholly owned subsidiary Forward Pharma USA, LLC's functional currency is the USD. Transactions in foreign currencies are initially recorded by the Group entities in their respective functional currency using the spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate at each reporting date. Differences arising on settlement or translation of monetary items denominated in foreign currency are recognized in the statement of profit or loss within "Exchange rate gain (loss)". For each of the years ended December 31, 2016, 2015 and 2014, the net exchange rate gain includes exchange rate losses of $1.9 million, $1.5 million and $3.6 million respectively.

Share-based payments

Employees, board members and consultants (who provide services similar to employees) of the Group receive remuneration in the form of equity settled awards whereby services are rendered as consideration for equity awards (warrants, deferred shares or share options). The fair value of these equity-settled awards is determined at the date of grant resulting in a fixed fair value at grant date that

Notes to Consolidated Financial Statements (Continued)

Section 1—Basis of Preparation (Continued)

is not adjusted for future changes in the fair value of the equity awards that may occur over the service period. Fair value of warrants and options is determined using the Black Scholes model while fair value of deferred shares is determined as the fair value of the underlying shares less the present value of expected dividends.

Non-employee consultants of the Group have received equity settled awards in the form of share options as remuneration for services. The fair value of these equity-settled awards is measured at the time services are rendered using the Black Scholes model. Under this method, the fair value is determined each quarter over the service period until the award vests.

The Company has never granted cash settled awards.

The cost of share-based payments is recognized as an expense together with a corresponding increase in equity over the period in which the performance and/or service conditions are fulfilled. In the event that equity instruments are granted conditionally upon an equal number of equity instruments granted in prior periods not being exercised, they are treated as a new grant for the current period and a modification of the equity instruments granted in the prior period. For equity instruments that are modified or replaced, in addition to recognizing any unamortized prior costs, the incremental value, if any, that results from the modification or replacement is recognized as an expense over the period in which performance and/or service conditions are fulfilled or immediately if there are no performance and/or service conditions to be fulfilled.

The fair value of equity-settled awards is reported as compensation expense pro rata over the service period to the extent such awards are estimated to vest. No cost is recognized for awards that do not ultimately vest.

Employee benefits

Employee benefits are primarily made up of salaries, share-based payments, Group provided health insurance and Group contributions to a defined contribution retirement plan. The cost of these benefits is recognized as expenses as services are delivered. The Group's contributions to the employee defined contribution retirement plan have not been material.

Operating Expenses in the Statement of Profit or Loss

Research and development costs

Research and development costs primarily comprise salary and related expenses, including share-based payment expense, license, patent and other intellectual property-related costs incurred in connection with patent claims and other intellectual property rights conducted by patent registry offices (for example the United States Patent and Trademark Office ("USPTO"), the EPO or other country-specific patent registry offices), manufacturing costs of pre-commercial product used in research, clinical costs, and depreciation of equipment, to the extent that such costs are related to the Group's research and development activities.

If expenses incurred are associated with the Group's intellectual property-related activities carried out in the courts to protect, defend and enforce granted patent rights against third parties (excluding activities and proceedings conducted within the USPTO, EPO or other country-specific patent registry offices) ("Court Expenses") they are classified within general and administrative expenses. Court

Notes to Consolidated Financial Statements (Continued)

Section 1—Basis of Preparation (Continued)

Expenses incurred for the years ended December 31, 2016 and 2015 totaled $315,000 and $602,000 respectively. Court Expenses incurred prior to January 1, 2015 were not material.

Capitalized patent and development costs

The Group's research and development activities have concentrated on the development of unique formulations of DMF for the treatment of immune disorders and include all patent office-related activities regarding the Company's patent estate development (e.g., interference proceedings, oppositions and new patent developments). For all periods presented herein, the Group did not capitalize patent costs or FP187 development costs and consequently expensed such costs as incurred given the inherent uncertainty in drug development and commercialization.

General and administrative costs

General and administrative costs relate to the administration of the Group and comprise salaries and related expenses, including share-based payment expense, investor relations, other costs associated with our public listing of ADSs in the United States and depreciation of equipment, to the extent such expenses are related to the Group's administrative functions as well as Court Expenses.

Government grants

Income from government grants is recognized when there is reasonable assurance that the grant will be received, all contractual conditions have been complied with and where contingent repayment obligations remain, avoidance of such obligations are within the control of the Group and not probable to occur. When the grant is intended to subsidize costs incurred by the Group, it is recognized as a deduction in reporting the related expense on a systematic basis over the periods to which the costs relate. When the grant subsidizes a capital asset, it is recognized as income in equal amounts over the expected useful life of the related asset. For more information on government grants, refer to Note 2.2.

Income tax and deferred tax

Current income tax

Tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities within one year from the date of the statement of financial position. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation or "uncertainty" and establishes provisions where appropriate. To date, there have been no provisions established for uncertain tax positions.

Deferred tax

Deferred tax is provided based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available in the future against which the deductible

Notes to Consolidated Financial Statements (Continued)

Section 1—Basis of Preparation (Continued)

temporary differences, unused tax credits and unused tax losses can be utilized. Deferred tax assets and deferred tax liabilities of the same tax jurisdiction are offset if a legally enforceable right exists to set off.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Based on the re-assessment performed at December 31, 2016, the Group recognized certain previously unrecognized deferred tax assets to the extent recovery was probable. In reaching this conclusion, Management considered the probability of future taxable profits considering the Licensing Agreement. See Note 2.5.

Deferred tax relating to items recognized outside the profit or loss are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

During the period from January 19, 2013 to December 31, 2015, the Company was subject to a Danish joint taxation group with Tech Growth Invest ApS (see Notes 2.5 and 5.2) and entities under Tech Growth Invest ApS's control (collectively "Tech Growth"). Under the joint taxation group, the Company received a refund equal to the tax benefit realized by Tech Growth from Tech Growth's utilization of the Company's tax losses at the applicable corporate tax rate to the extent that the tax losses reduced the taxable income of Tech Growth. An entity that was part of Tech Growth experienced a change in ownership on December 31, 2015. As a result of the change in ownership, the year ended December 31, 2015 was the final year in which the Company received a refund equal to the tax benefit realized by Tech Growth from Tech Growth's utilization of the Company's tax losses. On January 1, 2016, the Company became part of a new Danish joint taxation group with NB FP Investment General Partner ApS and Forward Pharma FA ApS.

Equipment

Equipment, which includes computers, office equipment, furniture and manufacturing equipment, is stated at cost, net of accumulated depreciation. Manufacturing equipment is owned by the Group and placed in service for the use of Group vendors who provide contract manufacturing services to the Group. There have been no impairment losses recognized by the Group since the inception of the Company.

Depreciation is calculated on a straight-line basis over the expected useful lives of the underlying assets of two to eight years. The residual values of equipment are not material.

The useful life of and method of depreciation of equipment are reviewed by management at least each year end or more often based on changes in facts or circumstances that may result and are adjusted prospectively as changes in accounting estimates. For all periods presented herein, changes in accounting estimates for equipment were immaterial.

Financial assets

Initial recognition and measurement

Financial assets that meet certain criteria are classified at initial recognition as either financial assets at fair value through profit or loss, available-for-sale financial assets, held to maturity investments

Notes to Consolidated Financial Statements (Continued)

Section 1—Basis of Preparation (Continued)

or receivables. The Group's financial assets include cash, cash equivalents, other receivables and available-for-sale financial assets. The Group does not hold assets that have been classified at fair value through profit or loss or held to maturity. Generally, the Group's financial assets are available to support current operations; however, amounts expected to be realized within the next twelve months are classified within the statement of financial position as current assets. Certain available-for-sale financial assets have historically been classified within the statement of financial position as non-current assets as management had no intention or business reason to dispose of these financial assets before their maturities which were in excess of next twelve months. The Group has no derivative financial assets nor has there been a change in classification of a financial asset after initial recognition and measurements as discussed herein. Financial assets are not acquired for trading or speculative purposes and available-for-sale financial assets are expected to be held until maturity.

The Group's financial assets are recognized initially at fair value plus, in the case of financial assets not carried at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset, if any.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification. After initial measurement, loans and receivables are measured at amortized cost using the effective interest rate method. Historically the Group's receivables are due within a short period of time and therefore the impact of using the effective interest rate method on the Group's financial statements has been immaterial. The Group has no loans. This category also applies to cash and cash equivalents that comprise cash at banks available on demand.

Available-for-sale financial assets include government issued debt instruments. After initial recognition they are carried at fair value with changes in fair value from period to period recognized in other comprehensive income. Interest earned from available-for-sale financial assets is reported as interest income using the effective interest rate method with foreign exchange gains or losses recognized in the consolidated statement of profit and loss within foreign exchange rate gain (loss). See Note 4.4.

Financial asset impairment

The Group assesses at the end of each reporting period whether there has been objective evidence that a financial asset or group of financial assets may be impaired. Impairment losses are incurred if there is objective evidence of impairment and the evidence indicates that estimated future cash flows will be negatively impacted. For financial assets held at amortized costs, the amount of impairment loss to be recognized in the financial statements is measured as the difference between the carrying value of the financial asset and the present value of the expected cash flows of the financial asset using the original effective interest rate. For impaired available-for-sale financial assets, the amount of loss to be recognized is measured as the difference between the acquisition cost of the available-for-sale financial asset, adjusted for any amortization of discount or premium, and its fair value. For each of the years ended December 31, 2016, 2015 and 2014, the Group did not experience an impairment of a financial asset.

Notes to Consolidated Financial Statements (Continued)

Section 1—Basis of Preparation (Continued)

Financial Liabilities

The Group's financial liabilities historically have included trade payables, convertible loans and the net settlement obligation of shareholder warrants. The Group's convertible loans and net settlement obligation of shareholder warrants were converted to ordinary shares or exercised prior to December 31, 2014. As discussed further below, generally if a financial instrument is issued that allows for settlement in ordinary shares of the Company and contains provisions whereby settlement can be on a net basis in cash or ordinary shares, for a variable number of ordinary shares or a variable amount of cash, then the financial instrument will be accounted for at fair value through profit and loss.

Trade payables

Trade payables relate to the Group's purchase of products and services from various vendors in the normal course of business with payment terms generally not exceeding 30 days. Trade payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method in the event a vendor has provided extended payment terms to the Group. Historically none of the Group's vendors have provided extended payment terms and therefore the effective interest method has not been used.

Convertible loans

Convertible loans that meet certain technical requirements, including (but not limited to) settlement of the conversion option for a fixed number of the Company's ordinary shares, are initially recognized at fair value, net of transaction costs incurred. Subsequently these convertible loans are measured at amortized cost and accounted for using the effective interest rate method. Gains and losses are recognized in the statement of profit or loss within other finance costs when the convertible loans are derecognized as well as through the effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium from the face value of the convertible loan plus direct and incremental transaction costs incurred in connection with issuance of the convertible loan. See Note 4.4.

Convertible loans that do not settle for a fixed number of the Company's ordinary shares are accounted for as a financial liability at fair value through profit and loss. Direct and incremental transactions costs incurred in connection with the issuance of convertible loans that contain such provisions are recognized in profit or loss as incurred. Gains or losses resulting from changes in fair value from period to period are recognized in profit or loss as non-operating fair value adjustments. See Note 3.4.

Net settlement obligation shareholder warrants

Shareholder warrants containing terms that allowed the holder of the warrant to settle for a variable number of the Company's ordinary shares are accounted for as a financial liability at fair value through profit and loss. Direct and incremental transaction costs incurred in connection with the issuance of warrants that contain such provisions are recognized in profit or loss as incurred. Gains or losses resulting from changes in fair value from period to period are recognized in profit or loss as non-operating fair value adjustments. See Note 4.4.

Notes to Consolidated Financial Statements (Continued)

Section 1—Basis of Preparation (Continued)

Other receivables

Other receivables primarily comprise value added tax ("VAT") receivables and accrued interest income on available-for-sale financial assets. Other receivables are measured at cost less impairment losses, if any. There have been no impairment losses in the financial periods presented herein. For more information on other receivables see Note 3.3.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks available on demand.

Consolidated statement of cash flow

The consolidated statement of cash flows is presented using the indirect method. The consolidated statement of cash flows shows cash flows used in operating activities, cash flows from investing activities, cash flows from financing activities, and the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows used in operating activities primarily comprise the net loss for the year adjusted for non-cash items, such as share-based compensation, fair value adjustments of financial liabilities, foreign exchange gains and losses, depreciation, changes in working capital and cash received for interest and taxes.

Cash flows from investing activities are comprised primarily of payments relating to equipment purchases and the investment in or maturity of available-for-sale financial assets.

Cash flows from financing activities are comprised of proceeds from borrowings and proceeds from share issuances net of transaction costs including the proceeds from the IPO.

For the year ended December 31, 2014 the Group's cash outflows for interest expense totaled $196,000. For each of the years ended December 31, 2016 and 2015 the Group had no cash outflow for interest expense.

1.2 Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, as well as the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgment that has the most significant effect on the amounts recognized in the consolidated financial statements:

Patent and development costs not eligible for capitalization	Note 1.1
Deferred tax assets	Note 2.5

Notes to Consolidated Financial Statements (Continued)

Section 1—Basis of Preparation (Continued)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below. The Group based its assumptions and estimates on information available when the consolidated financial statements were prepared.

Management has determined that the following items are subject to a high degree of estimation uncertainty and are significant to the financial statements:

Valuation of share-based payment	Note 2.4
Deferred tax assets	Note 2.5

1.3 New and Amendments to Accounting Standards

Standards effective in 2016:

New standards and amendments to standards and interpretations (collectively "Amendments") were issued by the IASB that became effective during 2016 or subsequent to December 31, 2016. None of the Amendments effective during 2016 had an effect on the Group's financial statements.

Standards issued but not yet effective:

The future adoption of the Amendments that become effective on or after January 1, 2017 are currently not expected to have a material effect on the Group's financial statements; however, as discussed below, the future adoption of IFRS 9 *Financial Instruments* ("IFRS 9"), IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") and/or IFRS 16 *Leases* ("IFRS 16") could have a material effect on the Group's financial statements. Management's current expectation is that Amendments will be adopted by the Group when mandated; however, Management is evaluating whether to adopt IFRS 15 on January 1, 2017.

IFRS 9: This standard addresses the accounting for financial assets and liabilities including their classification and measurement, impairment and hedge accounting. The Group does not anticipate adopting IFRS 9 before the mandatory effective date of January 1, 2018. The impact on the Group's financial statements of the future adoption of IFRS 9 will be determined based on facts and circumstances that exist at the time of adoption that cannot be predicted currently. The only financial instruments held by the Group at December 31, 2016 that would be affected by IFRS 9 are the available-for-sale financial assets that are currently measured each reporting period at fair value through other comprehensive income. Management's preliminarily position is that the available-for-sale financial assets held at December 31, 2016 would meet the definition under IFRS 9 to be accounted for under the amortized cost category. In reaching this preliminary position, management considered the Group's historic investment activity, current investment policies and intent to not sell the available-for-sale financial assets prior to maturity and believes that the appropriate business model assessment would result in the conclusion that the Group's financial assets are held to collect contractual cash flows. The effect of using amortized cost to account for the Group's available-for-sale financial assets at December 31, 2016 would eliminate the need to carry such assets at fair value resulting in a reversal of cumulative fair value beneficial adjustment of the available-for-sale assets with a corresponding reduction in other components of equity of $218,000. In addition, the benefit reflected in the statement of comprehensive loss for the year ended December 31, 2016 from the change in fair

Notes to Consolidated Financial Statements (Continued)

Section 1—Basis of Preparation (Continued)

value of the available-for-sale financial assets would be eliminated. The future adoption of IFRS 9 is not expected to have an effect on the Group's reported net loss or cash flows.

IFRS 15: This standard addresses the accounting and disclosure requirements for revenue contracts with customers. The effective date is January 1, 2018. There will be no impact on the Group's consolidated financial statements presented herein upon the future adoption of IFRS 15 as the Group has no revenue from customers. Management is in the process of evaluating the effect the License Agreement will have on the Group's financial statements in the future, including the effects of adopting IFRS 15. Until the evaluation is completed, an estimate of the future effect the License Agreement will have on the Group's financial statements cannot be made.

IFRS 16: This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. IFRS 16 has an effective date of January 1, 2019. The impact on the Group's financial statements from the future adoption of IFRS 16 will be determined based on facts and circumstances that exist at the time of adoption that cannot be predicted currently. As of December 31, 2016, the Group only has leases with terms of less than twelve months and therefore had the adoption of IFRS 16 occurred at December 31, 2016 the effect on the Group's consolidated financial statements would be immaterial. Management's current expectation is that IFRS 16 will be adopted by the Group when mandated.

Section 2—Results for the Year

2.1 Segment information

For management purposes, the Group is managed and operated as one business unit which is reflected in the organizational structure and internal reporting. No separate lines of business or separate business entities have been identified with respect to any product candidate or geographical market and no segment information is currently disclosed in the Group's internal reporting. Accordingly, it has been concluded that it is not relevant to include segment disclosures in the financial statements as the Group's business activities are not organized into business units, products or geographical areas.

2.2 Government grant

As part of the project for the development of new or innovative products and procedures in the Free State of Saxony, Germany, the Sächsische Aufbaubank —Förderbank ("SAB") awarded FP GmbH a grant ("Grant") of €3.8 million ($4.0 million based on the December 31, 2016 exchange rate) that subsidized certain product development costs incurred by FP GmbH during the period from March 2007 to December 2008. In June 2012, the SAB concluded the proceedings of proof of correct use of the Grant and determined that FP GmbH was in compliance with the terms of the Grant. In January 2017, the SAB informed the Company that FP GmbH had no further obligation to perform under the Grant or to repay the Grant. The SAB maintains the right to revoke the Grant and demand repayment of the Grant plus interest in the event the SAB in the future determines that FP GmbH failed to comply with the terms of the Grant.

Notes to Consolidated Financial Statements (Continued)

Section 2—Results for the Year (Continued)

2.3 Staff costs

	Year ended December 31		
	2016	2015	2014
	USD '000	USD '000	USD '000
Wages and salaries	2,175	1,832	916
Social taxes and benefits	407	407	136
Share-based payment (Note 2.4)	14,288	13,541	5,951
Total	16,870	15,780	7,003
Staff costs are included in the statement of profit or loss as follows:			
Research and development costs	9,230	6,779	2,320
General and administrative costs	7,640	9,001	4,683
Total	16,870	15,780	7,003
Compensation to key management personnel of the Group			
Short-term employee benefits	670	718	532
Share-based payment transactions	3,290	5,500	3,828
Total compensation paid to key management personnel	3,960	6,218	4,360

The amounts disclosed in the table above are the amounts recognized as an expense during the reporting periods related to key management personnel. Key management consists of the Company's Chief Executive Officer and Chief Financial Officer. See Note 5.1 for compensation paid to the members of the board of directors.

2.4 Share-based payment

The Group has entered into various share-based payment arrangements through the granting of equity awards in the form of warrants, options or deferred shares (collectively "equity awards") to employees, consultants (who provide services similar to employees), non-employee consultants and members of the board of directors. Equity awards have been granted under either the Company's 2014 Omnibus Equity Incentive Compensation Plan (the "Equity Plan") or outside the Equity Plan. Outstanding warrants and options have exercise prices stated in DKK or USD. Options and warrants that have exercise prices in DKK have been translated to USD.

The terms of the Equity Plan provide for the board of directors, or a committee appointed by the board of directors, to grant equity awards (as defined below) to employees, consultants and directors of the Group. At the inception of the Equity Plan there were 3.1 million ordinary shares available for grant under the Equity Plan. Awards can be in the form of ordinary shares, deferred shares, restricted shares or share options with terms and vesting conditions determined by the board of directors. The Equity Plan contains anti-dilution provisions in the event of a stock split or similar corporate transaction. As of December 31, 2016, 1.2 million shares were available for future grant under the Equity Plan.

During the year ended December 31, 2016, 664,000 stock options were granted to certain employees and board members. The option exercise prices per share range from $12.75 to $21.95. Vesting terms are pro rata over either a three or four year term, however, each award contains a provision whereby the option holder cannot exercise prior to a defined date. Vesting and exercise

Notes to Consolidated Financial Statements (Continued)

Section 2—Results for the Year (Continued)

periods are accelerated in the event there is a change in control, as defined in the option award agreements. Stock options expire six years from the date of grant. At the date of grant, the aggregate fair value of options granted in 2016 totaled $8.2 million.

In June 2016, 89,000 warrants ("June 2016 Warrants") were granted to a consultant. The June 2016 Warrants replaced an equal number of expiring warrants. The exercise price of the June 2016 Warrants is the same as the expiring warrants, or $0.56. The June 2016 Warrants were fully vested upon grant and expire on July 1, 2018. For financial reporting purposes, the June 2016 Warrants were accounted for as a modification of the expiring warrants to extend the expiration date. The financial statement impact of the modification of the June 2016 Warrants was not material.

During May 2016, 130,000 warrants were exercised yielding proceeds to the Company of $112,000. The fair value of an ordinary share of the Company on the date of exercise was $18.60.

During October 2016, the Company entered into a four year consulting agreement with a member of the board of directors. The consulting agreement provides for the granting of 13,000 deferred shares as full compensation for services to be rendered. The deferred shares vest in equal increments annually over four years. Unvested deferred shares vest immediately in the event there is a change in control as defined in the award agreement. At the date of grant, the aggregate fair value of the deferred shares totaled $275,000.

During the year ended December 31, 2015, 706,000 stock options were granted to certain employees, board members and consultants (who provide services similar to employees) and 500,000 stock options were granted to non-employee consultants. The options granted to the non-employee consultants are discussed in more detail below. The option exercise prices per share, excluding the 500,000 options awarded to the non-employee consultants, range from $20.90 to $36.85. Vesting terms are pro rata over either a three or four year term, however, each award contains a provision whereby the option holder cannot exercise prior to a defined date. Vesting and exercise periods are accelerated in the event there is a change in control, as defined in the option award agreements. Stock option expiration dates vary with the latest expiration date being six years from the date of grant. At the date of grant, the aggregate fair value of options granted in 2015, excluding the fair value of the options granted to the non-employee consultants, totaled $10.2 million.

As discussed above, during the year ended December 31, 2015 a total of 500,000 options were granted to non-employee consultants of the Group ("Consultant Options"). 250,000 Consultant Options have an exercise price of $28.26 and the balance have an exercise price of $141.30. The Consultant Options expire on May 15, 2020 and vesting is over five years; however, the Consultant Options can only be exercised during the period from April 2, 2020 to May 15, 2020. Vesting and exercise are accelerated in the event there is a change in control as defined in the option award agreements. The Company's board of directors holds a unilateral right to terminate the Consultant Options for any reason at any time prior to vesting. The fair value of the Consultant Options is measured using the Black Scholes model with inputs not materially different from those discussed below. The fair value of the Consultant Options is determined as services are rendered. As of December 31, 2016, 100,000 of the Consultant Options have vested including 50,000 with an exercise price of $28.26. The fair value of the Consultant Options was computed using the Black Scholes method and not based on the value of the services received. In reaching the decision to use the value of the Consultant Options and not the value of the services, management considered the variability in the nature, timing and extent of services to be provided by the non-employee consultants that will be significantly affected by actions taken by parties who are not under the control of the Group. Accordingly, the value and timing of the services

Notes to Consolidated Financial Statements (Continued)

Section 2—Results for the Year (Continued)

to be received over the service period cannot be estimated reliably and therefore the value of the Consultant Options was deemed to be a more accurate measure of the consideration paid to the non-employee consultants for services rendered. The weighted average fair value per Consultant Option applied for recognition of an expense during each of the years ended December 31, 2016 and 2015 was $6.04 and $11.88 respectively. The total expense recognized during each of the years ended December 31, 2016 and 2015 was $892,000 and $2.0 million respectively. There were no Consultant Options outstanding prior to 2015.

In order to provide employees, including the Chief Executive Officer, consultants and a board member of the Group with the ability to forgo exercising warrants or share options that were set to expire on or before January 1, 2016 ("Expiring Awards"), (i) the board of directors, during the year ended December 31, 2015, approved the granting of 1,365,000 share options or warrants ("Replacement Awards") to replace 1,405,000 Expiring Awards (1,316,000 Expiring Awards expired prior to December 31, 2015 and 89,000 expired on January 1, 2016) and (ii) the Company's shareholders, at the ordinary general meeting in April 2015, approved the extension of the period during which holders may exercise 334,000 Expiring Awards ("Extended Awards"). Further, in order to incentivize holders of Expiring Awards to remain engaged with the Group, the board of directors, during the year ended December 31, 2015, approved the granting of additional share options or warrants to holders of Expiring Awards to subscribe for an aggregate of 362,000 ordinary shares ("Additional Awards"). The Replacement Awards have substantially similar terms as the Expiring Awards, except the expiration dates were extended to various dates, the latest being March 2021. The expiration date for 167,000 of the Extended Awards was extended to June 2018, while the expiration date for the balance of the Extended Awards was extended to November 2018. If individual holders exercise their Expiring Awards, then the Replacement Awards and the Additional Awards held by such holders provide for immediate expiration and cancellation of such Replacement Awards and the Additional Awards for no compensation. Replacement Awards have the same exercise price as Expiring Awards ranging from $0.56 to $1.19 per share (based on the December 31, 2016 DKK to USD exchange rate). Replacement Awards are fully vested on the date of grant while Additional Awards vest over a period of three years. Replacement Awards and Additional Awards (except for 85,000 Replacement Awards) cannot be exercised prior to March 2018; however, Replacement Awards and Additional Awards vest and can be exercised immediately in the event there is a change in control, as defined in the award agreements. The aggregate fair value of Replacement Awards and Additional Awards at the date of grant totaled $6.8 million. The financial statement impact of the Extended Awards was not material.

A total of 55,000 deferred shares were granted during 2015 including 5,000 to an employee and 25,000 to each of two consultants. The employee's deferred shares vested in July 2016 and the consultants' deferred shares vest in equal increments annually over a four year period. Unvested deferred shares vest immediately in the event there is a change in control as defined in the award agreement. At the date of grant, the aggregate fair value of the deferred shares granted in 2015 totaled $1.4 million. On May 6, 2016, one of the consultants was elected to the Company's board of directors. See Note 5.1.

During the year ended December 31, 2015, 216,000 warrants were exercised yielding proceeds to the Company of $153,000. The weighted average fair value of an ordinary share of the Company on the dates of exercise was $33.79.

For the year ended December 31, 2014 the Company awarded 569,000 deferred shares ("Deferred Shares") to the Company's Chief Financial Officer. In addition, 471,000 share options ("Share

Notes to Consolidated Financial Statements (Continued)

Section 2—Results for the Year (Continued)

Options") were awarded to employees, including 379,000 awarded to the Company's Chief Financial Officer, that allow the holder to purchase an equal number of ordinary shares at an exercise price per ordinary share of $21.00. In addition, 177,000 warrants were granted during the year ended December 31, 2014 including 89,000 that were granted to a director, at an exercise price of $11.02 per share, and the balance were granted to a consultant at an exercise price of $0.67 per share. The Deferred Shares, the Share Options and the warrants issued to the director vest incrementally over four years with accelerated vesting under certain situations including a change in control as defined in the award agreement. Approximately 53,000 of the warrants granted to the consultant vested immediately and the remaining balance vest over eighteen months with accelerated vesting under certain situations including a change in control as defined in the award agreement. The aggregate fair value of the Deferred Shares, the Share Options and the warrants on the date of award totaled $9.2 million, $6.0 million and $1.2 million respectively. During each of the years ended December 31, 2016 and 2015, 142,000 Deferred Shares vested and were issued. See Note 4.1.

During the year ended December 31, 2014, 1.6 million warrants were modified to extend the expiration date or similar by two, six or seven months that have a weighted average exercise price of $1.21. The financial statement impact of the modification was not material.

In July 2014, 135,000 warrants were exercised yielding gross proceeds to the Company of $92,000. The estimated fair value per share of an ordinary share of the Company on the date of exercise was $11.00.

The table below summarizes the activity for each of the years ended December 31, 2016, 2015 and 2014 for equity awards in the form of options and warrants and the weighted average exercise price ("WAEP"):

	Share Options and Warrants:				
	Key Management Personnel	Employees and Consultants	Non-Employee Consultants	Total Awards	WAEP
	No. '000	No. '000	No. '000	No. '000	
Outstanding at January 1, 2014	590	1,860	—	2,450	$ 1.46
Granted	468	180	—	648	$ 16.84
Exercised	—	(135)	—	(135)	$ 0.67
Expired	—	(109)	—	(109)	$ 0.67
Outstanding at December 31, 2014	1,058	1,796	—	2,854	$ 5.03
Granted	178	528	500	1,206	$ 51.62
Expiring Awards	(333)	(983)	—	(1,316)	$ 0.98
Replacement Awards	423	942	—	1,365	$ 0.96
Additional Awards	147	215	—	362	$ 30.13
Exercised	—	(216)	—	(216)	$ 0.70
Outstanding at December 31, 2015	1,473	2,282	500	4,255	$ 20.39
Granted	178	575	—	753	$ 15.00
Expiring Awards	(89)	—	—	(89)	$ 0.83
Exercised	—	(130)	—	(130)	$ 0.86
Expired and forfeited	—	(99)	—	(99)	$ 3.45
Outstanding at December 31, 2016	1,562	2,628	500	4,690	$ 20.77
Exercisable at December 31, 2016	1,042	1,712	100	2,854	

Notes to Consolidated Financial Statements (Continued)

Section 2—Results for the Year (Continued)

The weighted average remaining contractual life of equity awards in the form of options and warrants outstanding as of December 31, 2016, 2015 and 2014 was 4.3 years, 4.9 years and 2.6 years respectively.

The table below summarizes the range of exercise prices, after converting, where applicable, exercise prices that are stated in DKK to USD, for outstanding equity awards in the form of options and warrants as of December 31, 2016, 2015 and 2014. Exercise prices disclosed below have changed from amounts previously reported as the result of a change in the DKK to the USD exchange rate.

Range of exercise prices (per share)	2016	2015	2014
	No. '000	No. '000	No. '000
$0.56 to $1.19	1,788	2,007	2,169
$7.32 to $9.21	214	214	214
$12.75 to $17.99	463	—	—
$20.90 to $28.26	1,304	1,104	471
$30.54 to $36.85	671	680	—
$141.30	250	250	—
Total	4,690	4,255	2,854

The tables below summarize the inputs to the model used to value key management, employee and consultant equity awards as well as the average fair value per option or warrant awarded or modified for each of the years ended December 31, 2016, 2015 and 2014:

Year ended December 31, 2016	
Dividend yield (%)	0
Expected volatility (%)	73 - 79
Risk-free interest rate (%)	(1.2) to 1.8
Expected life of the equity award (years)	4.0 to 5.0
Share price	16.42 USD to 21.95 USD
Exercise price	0.56 USD to 21.95 USD
Model used	Black Scholes
Basis for determination of share price	Quote on NASDAQ
Average fair value per option or warrant granted ($)	11.82 USD

Year ended December 31, 2015	
Dividend yield (%)	0
Expected volatility (%)	69 - 76
Risk-free interest rate (%)	(0.1) to 1.7
Expected life of the equity award (years)	3.5 to 5.0
Share price	18.10 USD to 39.00 USD
Exercise price	0.57 USD to 36.85 USD
Model used	Black Scholes
Basis for determination of share price	Quote on NASDAQ
Average fair value per option or warrant granted ($)	13.05 USD

Notes to Consolidated Financial Statements (Continued)

Section 2—Results for the Year (Continued)

Year ended December 31, 2014	
Dividend yield (%)	0
Expected volatility (%)	84 - 110
Risk-free interest rate (%)	0.0 to 0.4
Expected life of the equity award (years)	1.5 to 5
Share price	11.89 USD or 21.00 USD
Exercise price	0.67 USD or 21.00 USD
Model used	Black Scholes
Basis for determination of share price(a)(b)	DCF-model or IPO price
Average fair value per option or warrant granted ($)	12.28 USD

(a) Discounted cash flow or "DCF."

(b) The IPO price per share was used to value equity awards granted immediately prior to the IPO.

The table below summarizes the deferred share activity for each of the years ended December 31, 2016, 2015 and 2014. Prior to 2014 there were no outstanding deferred shares:

	Deferred Shares:		
	Key Management Personnel	Employees and Consultants	Total Awards
	No. '000	No. '000	No. '000
Outstanding at January 1, 2014	—	—	—
Granted	569	—	569
Outstanding at December 31, 2014	569	—	569
Granted	—	55	55
Vested and issued	(142)	—	(142)
Outstanding at December 31, 2015	427	55	482
Granted	13	—	13
Transfer(c)	25	(25)	—
Vested and issued	(142)	—	(142)
Outstanding at December 31, 2016	323	30	353

(c) A consultant who was granted deferred shares in 2015 was elected to the board of directors in 2016. See Note 5.1.

Notes to Consolidated Financial Statements (Continued)

Section 2—Results for the Year (Continued)

Share-based compensation expense included within operating results for each of the years ended December 31, 2016, 2015 and 2014 is as follows:

	Year Ended December 31,		
	2016	2015	2014
	USD '000	USD '000	USD '000
Research and development costs	7,984	6,000	1,789
General and administrative costs	6,304	7,541	4,162
Total	14,288	13,541	5,951

Significant estimation uncertainty regarding share based payments

Prior to the Company's IPO, determining the initial fair value and subsequent accounting for equity awards granted to the Group's employees, consultants and directors required management to use many subjective assumptions including estimating the fair value of the Company's ordinary shares. The subjective nature of the assumptions required management to use significant judgment, and small changes in any individual assumption or in combination with other assumptions could have yielded significantly different results. The most significant assumptions included the following: estimated long-term cash flows of the Group discounted for the risk and uncertainty of successfully developing and commercializing FP187; the expected period an equity award would be outstanding and the peer group used to determine volatility. Before the Company's ADSs were quoted on an active market, the underlying share price used in the valuation model was determined by applying a discounted cash flow ("DCF") model. The expected future cash flows were based on strategic plans up until product launch and projections for future years.

Subsequent to the Company's IPO, determining the initial fair value and subsequent accounting for equity awards continues to require significant judgment regarding expected life and volatility of an equity award; however, as a public listed company there is objective evidence of the fair value of an ordinary share on the date an equity award is granted and therefore DCF valuations are no longer used. The expected life of an equity award is based on the assumption that the holder will not exercise until after the equity award is fully vested and all restrictions on the holders' ability to dispose of the underlying ordinary shares expire. Actual exercise patterns may differ from the assumption used herein. The expected volatility is based on peer group data and reflects the assumption that the historical volatility over a period similar to the life of the equity awards is indicative of future trends, which may not necessarily be the actual outcome. The peer group consists of listed companies that management believes are similar to the Company in respect to industry and stage of development. Even with objective evidence of the fair value of an ordinary share, small changes in any other individual assumption or in combination with other assumptions could have yielded significantly different results. Since the Company's ADSs are listed on NASDAQ, in the future, after there has been an extended period of historical trading activity of the Company's ADSs, management will determine the fair value of an equity award using an option valuation model that incorporates the historical trading attributes of the Company's ADSs including volatility and the expected life of an equity award.

All amounts presented in this Note have been adjusted to reflect the Proportional Shares and the Share Split as if they had occurred at the beginning of each respective period. Amounts disclosed herein may be different from amounts previously reported as the result of changes in exchange rates.

Notes to Consolidated Financial Statements (Continued)

Section 2—Results for the Year (Continued)

2.5 Income tax and deferred tax

The major components of income tax for the years ended December 31, 2016, 2015 and 2014 are as follows:

Consolidated statement of profit and loss

	Year Ended December 31,		
	2016	2015	2014
	USD '000	USD '000	USD '000
Current income tax (expense) benefit	(79)	336	250
Deferred income tax benefit	21,282	—	—
Income tax benefit reported in the statement of profit and loss	21,203	336	250

The current income tax expense for the year ended December 31, 2016 primarily relates to a change in estimate of the benefit obtained by Tech Growth's utilization of the Company's tax loss. Included in the current income tax benefit for the years ended December 31, 2015 and 2014 are amounts due to the Company for participating in the Tech Growth joint taxation group of $158,000 and $250,000 respectively (see "Joint Taxation Groups" below for additional information regarding Tech Growth). Also included in the tax benefit for the year ended December 31, 2015 is the favorable result from an application made with the Danish tax authorities whereby the Danish tax authorities approved a refundable tax credit of $178,000 related to the Company's research and development efforts after reducing the Company's Danish tax loss carryforward.

Management concluded that at December 31, 2016 it was probable the Group would have taxable profits in 2017, thereby enabling the Group to recognize certain deferred tax assets that historically did not meet the criteria for recognition. In reaching the conclusion to recognize deferred tax assets at December 31, 2016, numerous judgments were made including the close proximity of the date the License Agreement was executed to December 31, 2016 and the magnitude of the Non-refundable Fee compared to the projected total expenses in 2017. The deferred tax benefit recognized during the year ended December 31, 2016 was primarily related to net operating loss carryforwards ("NOLs") that will be utilized in 2017. Taxable profits are not assured beyond the year ending December 31, 2017; therefore, temporary differences that will be available to offset taxable profits after December 31, 2017 do not meet the criteria for financial statement recognition and therefore the related deferred tax assets have not been recognized.

Notes to Consolidated Financial Statements (Continued)

Section 2—Results for the Year (Continued)

The tax benefit recorded for the years ended December 31, 2016, 2015 and 2014 is reconciled as follows:

	2016 USD '000	2015 USD '000	2014 USD '000
Net (loss) before tax	(54,539)	(37,340)	(19,266)
At the Company's statutory income tax rate(*)	(11,999)	(8,775)	(4,720)
Adjustments:			
Non-deductible expenses for tax purposes	3,100	1,032	936
Effect of higher tax rate in Germany	(844)	(1,517)	(352)
(Recognized) unrecognized deferred tax assets	(11,460)	9,102	3,886
Refundable tax credit	—	(178)	—
At the effective income tax rate of 39% for 2016 and 1% for 2015 and 2014	(21,203)	(336)	(250)

(*) The statutory tax rates for 2016, 2015 and 2014 were 22%, 23.5% and 24.5% respectively.

Deferred tax

The recognized deferred tax assets at December 31, 2016, 2015 and 2014 are as follows:

	2016 USD '000	2015 USD '000	2014 USD '000
Net operating loss carryforwards	31,999	—	—
Share-based payment	502	—	—
Acquired Patents (see below)	55,870	—	—
Royalty Obligation (see below)	(65,181)	—	—
Other	(126)	—	—
Total deferred income tax benefit	23,064	—	—

The deferred tax benefit as of December 31, 2016 of $23.1 million is estimated to be utilized in the year ending December 31, 2017.

The unrecognized deferred tax assets at December 31, 2016 and 2015 are as follows:

	December 31,	
	2016 USD '000	2015 USD '000
Tax effect of tax loss carry forwards	4,139	16,950
Share-based payment	1,907	3,507
Acquired Patents (see below)	—	67,308
Royalty Obligation (see below)	—	(67,308)
Other deferred taxes, net liability	—	(131)
Unrecognized deferred tax assets, net	6,046	20,326

Notes to Consolidated Financial Statements (Continued)

Section 2—Results for the Year (Continued)

The table above includes the tax effect of the acquired patents and associated know-how (collectively "Acquired Patents") transferred to the Company and the corresponding obligation to remit royalties ("Royalty Obligation") in accordance with the patent transfer agreement with Aditech Pharma AG. See Note 5.2. The Acquired Patents represent an intangible asset that for Danish tax purposes can be amortized to reduce future taxable income at the discretion of Management provided that in any one year amortization expense cannot exceed one seventh of the assigned fair value. Future payments of royalties to Aditech Pharma AG will first reduce the Royalty Obligation to zero and thereafter will be available to reduce future taxable income. In the event the Royalty Obligation is not reduced to zero at the end of the life of the Acquired Patents, such amount would represent taxable income for Danish tax purposes. The changes in the amount of the Acquired Patents and Royalty Obligation from 2015 to 2016 is the result of a change in the exchange rate between the DKK and the USD and amortization expense of the Acquired Patents taken for tax purposes for the year ended December 31, 2016.

The Group has the following unrecognized deductible temporary differences as of December 31, 2016, 2015 and 2014 respectively:

	Denmark			Germany		
	2016	2015	2014	2016	2015	2014
	USD '000	USD '000	USD '00	USD '000	USD '000	USD '00
Unused tax losses	—	25,070	15,667	13,273	35,817	20,036
Deductible temporary differences regarding share-based payment etc.	8,667	15,344	14,471	—	—	—

The Danish and German tax loss carry forwards have no expiry date. For Danish tax purposes, the Company's ability to use tax loss carry forwards in any one year is limited to 100% of the first $1.1 million of taxable income plus 60% of taxable income above $1.1 million. For German tax purposes, the ability for FP GmbH's to use tax loss carry forwards in any one year is also limited based on a formula not materially different from the limit used in Denmark. Other deductible temporary differences are not subject to any restrictions. For Danish and United States tax purposes, the Company's United States subsidiary does not conduct a trade or business and is therefore deemed to be a disregarded entity. Accordingly, the United States subsidiary is not subject to income taxes in the United States.

Joint Taxation Groups

During the period from January 19, 2013 to December 31, 2015, the Company was part of the Tech Growth joint tax group. Under applicable provisions of the Danish taxation law, the Company was entitled to obtain refunds at the prevailing tax rate from other entities within the Tech Growth joint taxation group who utilized tax losses of the Company. Included in the tax benefit for each of the years ended December 31, 2015 and 2014 are the amounts due to the Company for participating in the Tech Growth joint taxation group of $158,000 and $250,000, respectively. During the year ended December 31, 2016, Tech Growth amended a prior year tax return to reduce previously reported taxable income. The effect of the amended tax return resulted in the Company recognizing a current income tax expense caused by Tech Growth utilizing less tax losses of the Company.

A subsidiary of Tech Growth Invest ApS experienced a change in ownership on December 31, 2015. The effect of the change in ownership resulted in the year ended December 31, 2015 being the final year in which the Company received a refund equal to the tax benefit realized by Tech Growth

Notes to Consolidated Financial Statements (Continued)

Section 2—Results for the Year (Continued)

Invest ApS and other entities within the joint taxation group who utilized the Company's tax losses. On January 1, 2016, the joint taxation group with Tech Growth ceased and the Company became part of a new Danish joint taxation group with NB FP Investment General Partner ApS and Forward Pharma FA ApS. The Company remains jointly and severally liable with other entities in the Tech Growth joint taxation group for Tech Growth's Danish tax liabilities during each of the years ended December 31, 2015, 2014 and 2013. The Company is jointly and severally liable under the newly formed joint taxation group with NB FP Investment General Partner ApS and Forward Pharma FA ApS for Danish tax liabilities for the year ended December 31, 2016.

Significant accounting judgments, estimates and assumptions

The Group recognizes deferred tax assets, including the tax base of tax loss carry-forwards, if management assesses that these tax assets can be offset against future positive taxable income. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. This judgment is made periodically after considering current facts, circumstances, budgets and business plans as well as the risks and uncertainty associated with the operations of the Group. As facts and circumstances change, adjustments to previously made estimates will be made that could result in volatility in reported operating results and the occurrence of unforeseen events could have a material favorable or unfavorable effect on the financial statements of the Group.

As discussed herein, during the year ended December 31, 2016 the Group determined that previously unrecognized deferred tax assets should be recognized as it is probable that the Group will have sufficient taxable income in the year ending December 31, 2017 to utilize deferred tax assets recognized at December 31, 2016.

Tax uncertainties

In July 2016, the German tax authorities concluded an audit of the tax returns of FP GmbH for each of the years in the three year period ended December 31, 2012. The audit findings resulted in no change in the tax filing positions taken by FP GmbH for each of the years that were under audit and no assessment of taxes, penalties or interest was made against FP GmbH by the German tax authorities.

The Company's Danish, German and United States tax returns are subject to periodic audit by the local tax authorities. Such audits could result in the tax authorities disagreeing with the tax filing positions taken by the Company that would expose the Company to additional taxes being assessed, including interest and penalties, that could be material. There are numerous transactions between Forward Pharma A/S, Forward Pharma GmbH and Forward Pharma USA, LLC where the tax authorities could challenge whether transfer pricing of such transactions were at arm's length. The Company's failure to successfully support arm's length pricing could result in additional taxes being assessed, including interest and penalties, that could be material. As of December 31, 2016, there are no tax audits in process nor has management been notified of any pending tax audit. As of December 31, 2016, the tax years that remain open for audit by the Danish, German and United States tax authorities include 2013 through 2016.

Notes to Consolidated Financial Statements (Continued)

Section 2—Results for the Year (Continued)

2.6 Loss per share

As discussed within "Public listing of American Depositary Shares representing Ordinary Shares" the Company completed its IPO in in the fourth quarter of 2014 and in connection therewith implemented a number of corporate actions that included:

1. ***Class B Award***. Amended the Class B shareholders' right to a distribution preference in consideration for approximately 114,000 Class A shares (approximately 2 million ordinary shares after the Share Conversion, Proportional Shares and Share Split adjustments.)

2. ***Share Conversion***. All outstanding Class A and Class B shares were converted to a single class of ordinary shares on a 1 for 1 basis.

3. ***Proportional Shares***. In order to achieve a fixed number of ordinary shares outstanding prior to the IPO, approximately 1.5 million ordinary shares were issued to all shareholders in proportion to their ownership percentage.

4. ***Share Split***. A 10 for 1 share split was effectuated.

For financial reporting purposes, the Class B Award was accounted for as a preferential distribution in computing per share amounts that increases the loss attributable to ordinary shareholders by $42.7 million for the year ended December 31, 2014. The preferential distribution was reflected within the statement of changes in shareholders' equity as a reclassification from share capital and share premium to accumulated deficit. The Class B Award had no effect on cash or cash flows of the Group.

The Share Conversion, the Proportional Shares issuance and the Share Split (collectively referred to as "Recapitalization") resulted in no additional consideration received by the Company nor did it change the individual ownership percentages of individual shareholders of the Company. For purposes of computing the per share amounts for the year ended December 31, 2014, the Recapitalization was deemed to have occurred as of January 1, 2014. The Recapitalization occurred in 2014 and was fully effected at the beginning of 2015 and therefore retrospective adjustment was not necessary in computing per share information for each of the years ended December 31, 2016 and 2015.

The following reflects the net loss attributable to ordinary shareholders and share data used in the basic and diluted loss per share computations for each of the years ended December 31, 2016, 2015 and 2014:

	2016 USD	2015 USD	2014 USD
Net loss attributable to equity holders of the Parent	(33,336)	(37,004)	(19,016)
Preferential distribution to Class B shareholders	—	—	(42,734)
Net loss attributable to ordinary shareholders of the Parent used for computing basic and diluted net loss per share	(33,336)	(37,004)	(61,750)
Weighted average number of ordinary shares used for basic and diluted net loss per share	47,013	46,749	34,490
Net loss per share basic and diluted	(0.71)	(0.79)	(1.79)

Notes to Consolidated Financial Statements (Continued)

Section 2—Results for the Year (Continued)

Amounts within the table above are in thousands except per share amounts

Basic loss per share amounts are calculated by dividing the net loss for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Due to the fact that the Group has incurred losses for each year presented, the potential shares issuable related to outstanding equity awards, convertible debt or shareholder warrants have been excluded from the calculation of diluted loss per share as the effect of such shares is anti-dilutive. Therefore, basic and diluted loss per share are the same for each period presented. As of December 31, 2016, the only potentially dilutive equity awards outstanding are disclosed in Note 2.4.

2.7 IPO Costs

During the year ended December 31, 2014, the Company incurred direct and incremental costs associated with its IPO that totaled approximately $4 million (excluding the underwriters' commission of 7% of gross proceeds received from the IPO) that have been accounted for as a reduction of the gross proceeds received from the IPO and recorded through shareholders' equity. In addition, during the year ended December 31, 2014, the Company incurred costs that were directly associated with the IPO but were not incremental and therefore were not eligible to be offset against the gross proceeds and were therefore included in general and administrative expenses. Such amounts totaled approximately $2 million. No costs were incurred in connection with the IPO subsequent to December 31, 2014.

Notes to Consolidated Financial Statements (Continued)

Section 3—Operating Assets and Liabilities

3.1 Equipment

	Equipment USD '000
Cost:	
At January 1, 2015	23
Additions	382
Exchange differences	(4)
At December 31, 2015	401
Additions	31
Disposals	(3)
Exchange difference	(15)
At December 31, 2016	414
Accumulated Depreciation:	
At January 1, 2015	13
Depreciation charge for the year	37
Exchange difference	(1)
At December 31, 2015	49
Depreciation charge for the year	109
Disposals	(3)
Exchange difference	(9)
At December 31, 2016	146
Net book value:	
At December 31, 2015	352
At December 31, 2016	268

Depreciation expense included within operating results for each of the years ended December 31, 2016, 2015 and 2014 is as follows:

	Year Ended December 31,		
	2016 USD '000	2015 USD '000	2014 USD '000
Research and development costs	106	34	2
General and administrative costs	3	3	1
Total	109	37	3

Notes to Consolidated Financial Statements (Continued)

Section 3—Operating Assets and Liabilities (Continued)

3.2 Prepaid expenses

	December 31,	
	2016	2015
	USD '000	USD '000
Advanced payments to contract research and manufacturing organizations	132	4,430
Insurance	450	546
Other	74	72
Total	656	5,048

3.3 Other receivables

	December 31,	
	2016	2015
	USD '000	USD '000
VAT receivables	305	443
Accrued interest income	117	231
Other receivables	5	15
Total	427	689

3.4 Convertible Loans

On May 30, 2014 the Company entered into a convertible loan agreement ("Euro Note") with NB FP Investment II K/S, a related party. The terms of the Euro Note allowed the Company to borrow up to € 8.35 million in installments. Outstanding borrowings accrued interest at an annual rate of 10% payable, with principal, on December 31, 2018. The full € 8.35 million was borrowed during the three months ended September 30, 2014. There was a mandatory conversion provision that was triggered in October 2014 as the result of the Company successfully completing the IPO whereby the Euro Note plus accrued interest converted into 602,000 ordinary shares of the Company. The Euro Note conversion rate represented a 15% discount from the fair value of the ordinary shares issued and was accounted for as discussed below. Accrued interest on the Euro Note at the time of conversion totaled $177,000.

On August 6, 2014 the Company entered into a convertible loan agreement ("USD Note") with BVF Forward Pharma L.P., a related party. The terms of the USD Note were similar to the Euro Note except that the Company could borrow $10 million. The full $10 million was borrowed during the three months ended September 30, 2014. The USD Note plus accrued interest converted into 566,000 ordinary shares of the Company upon the completion of the IPO. The USD Note conversion rate represented a 15% discount from the fair value of the ordinary shares issued and was accounted for as discussed below. Accrued interest on the USD Note at the time of conversion totaled $118,000.

For financial reporting purposes, the Euro Note and the USD Note (collectively "Notes") were carried at fair value and the change in fair value from issuance date to conversion date was reflected as the fair value adjustment to convertible loans in the consolidated statement of profit or loss for the year ended December 31, 2014. This accounting treatment is the result of the derivative associated with the conversion feature deemed to be not closely related to the debt host. For the year ended

Notes to Consolidated Financial Statements (Continued)

Section 3—Operating Assets and Liabilities (Continued)

December 31, 2014 there was a loss of $3.8 million representing the increase in fair value of the Notes from the time the Notes were issued to the time the Notes were converted to ordinary shares. The Notes met the definition of a Level 2 financial instrument, as defined below, since there was no active market where the Notes were traded. Therefore, determining fair value required the Company to use an alternative approach that was based on the automatic conversion feature to ordinary shares at a 15% discount to the per share price of the IPO. The fair value of the Notes on the date of conversion was determined based on the number of ordinary shares issued at the quoted price per ADS at the time of the IPO ($21.00) adjusted for the 15% discount.

Section 4—Capital Structure and Financial Risk and Related Items

4.1 Equity and Capital Management

Share capital

The following table summarizes the Company's share activity for each of the years ended December 31, 2016, 2015 and 2014:

	Class A ordinary shares No. '000	Class B preferred shares No. '000	Ordinary shares No. '000
January 1, 2014	28,502	856	—
Capital increase for cash	—	157	—
Cashless settlement of interest-bearing convertible loans upon exercise of shareholder warrants	2,456	—	—
Exercise of shareholder warrants for cash	5	—	—
Exercise of warrants for cash	135	—	—
Class B Award(*)	2,034	—	—
Share Conversion(*)	(33,132)	(1,013)	34,145
Conversion of the Euro Note and USD Note(*)	—	—	1,169
IPO including over-allotment(*)	—	—	11,200
December 31, 2014	—	—	46,514
Issuance of deferred shares	—	—	142
Exercise of warrants for cash	—	—	216
December 31, 2015	—	—	46,872
Issuance of deferred shares	—	—	142
Exercise of warrants for cash	—	—	130
December 31, 2016	—	—	47,144

(*) See Notes 2.6 and 3.4 for additional information.

The Company prior to December 31, 2016 never paid a dividend on ordinary shares.

During the year ended December 31, 2016 142,000 ordinary shares were issued upon the vesting of Deferred Shares, and the receipt of the per share nominal value of $2,000, and 130,000 ordinary shares were issued in connection with the exercise of warrants and the receipt of $112,000. See Note 2.4.

Notes to Consolidated Financial Statements (Continued)

Section 4—Capital Structure and Financial Risk and Related Items (Continued)

During the year ended December 31, 2015 142,000 ordinary shares were issued upon the vesting of Deferred Shares, and the receipt of the per share nominal value of $2,000, and 216,000 ordinary shares were issued in connection with the exercise of warrants and the receipt of $153,000. See Note 2.4.

In connection with the IPO, including the partial exercise of the underwriters' over-allotment option, the Company sold approximately 11.2 million ADSs at $21.00 per share yielding gross proceeds of $235.2 million. The underwriters' commission and other direct and increment cost totaled $16.5 million and $4.4 million respectively resulting in net proceeds to the Company of $214.3 million.

Prior to the Share Conversion, Class A ordinary shares and Class B preferred shares had a different nominal value per share than an ordinary share. The adjustment that appears in the Statement of Changes in Shareholders Equity, for the year ended December 31, 2014, in the amount of $262,000 represents the effect of the change in Share Capital to conform with the per share nominal value of an ordinary share or 0.10 DKK.

The proceeds received during the year ended December 31, 2014 pursuant to the issuance of approximately 157,000 Class B shares for cash totaled approximately $1.9 million. The issuance price per Class B share was approximately $12.11.

During March 2014 a convertible loan that had been accruing interest at a rate of 20% per annum in the amount of $2.5 million that was held by Nordic Biotech Opportunity Fund K/S, a shareholder and related party, was converted to share capital and share premium in consideration for the exercise of shareholder warrants resulting in the issuance of 2.5 million Class A shares. See Note 4.4.

During the year ended December 31, 2014, the Company issued approximately 5,000 and 135,000 Class A shares at per share prices of approximately $1.07 and $0.68 respectively yielding aggregate proceeds of approximately $5,000 and $92,000 respectively.

All amounts presented in this Note have been adjusted to reflect the Proportional Shares and the Share Split adjustments as if they had occurred at the beginning of earliest period presented.

Capital Management

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Group's capital management is to maximize shareholder value. The board of directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence, and a continuous advancement of the Group's intellectual property, product pipeline and business. Cash, cash equivalents and financial assets are monitored on a regular basis by management and the board of directors in assessing current and long-term capital needs. As of December 31, 2016 the Group held cash, cash equivalents and available-for-sale financial assets totaling $138.7 million that will be sufficient to provide adequate funding to allow the Group to meet its planned operating activities in the normal course of business for the next twelve months. The Group currently has no significant planned capital expenditures.

4.2 Financial risk factors

The Group's activities expose it to a number of financial risks whereby future events, which can be outside the control of the Group, could have a material effect on the Group's financial position and operating results. The known risks include foreign currency, interest and credit risk and there could be other risks currently unknown to management. The Group historically has not hedged its financial risks.

Notes to Consolidated Financial Statements (Continued)

Section 4—Capital Structure and Financial Risk and Related Items (Continued)

Foreign Currency

The Group maintains operations in Denmark, Germany and the United States that use the DKK, the Euro and the USD as their functional currencies respectively. The Group conducts cross border transactions where the functional currency is not always used, including purchases from major vendors in the United Kingdom where the British Pound ("GBP") is used. In addition, the Company, whose functional currency is the DKK, has invested in debt instruments issued by the governments of Germany, the United Kingdom and the United States. Accordingly, future changes in the exchange rates of the DKK, the Euro, the USD and/or the GBP will expose the Group to currency gains or losses that will impact the reported amounts of assets, liabilities, income and expenses and the impact could be material. For each of the years ended December 31, 2016, 2015 and 2014, the impact on the Group's statement of profit or loss of possible changes in the USD, GBP and Euro exchange rates against the Group's functional currencies, USD, DKK and Euro, would be as follows.

Currency	Possible change	2016	2015	2014
		USD '000	USD '000	USD '000
USD	+/–10%	+7,124/–7,124	+8,068/–8,068	+10,188/–10,188
GBP	+/–10%	+430/–430	+1,001/–1,001	+921/–921
Euro	+/–2%	+1,212/–1,212	+1,424/–1,424	+1,974/–1,974

At the time of receipt of the Non-refundable Fee, the Company's USD cash holdings were over $1.25 billion while having material obligations payable in DKK and Euros (including income tax liabilities in Denmark and Germany.) The Company's management is currently evaluating different means to deliver to shareholders an undetermined amount of capital. This may involve dividends, distributions, share repurchases or other means. The final determination as to any return of capital will be at the discretion of the Company's board of directors. Any such return of capital will be payable in Euros. The Company's increased cash reserves combined with material obligations payable in different currencies expose the Company to even greater risk of loss in the future caused by movements in foreign exchange rates. During February and March of 2017, to reduce the Company's exposure to changes in foreign exchange rates, the Company converted $1.25 billion into 1.17 billion Euros.

Interest Rate Risk

The Company has invested in debt instruments issued by the governments of Germany, the United Kingdom and the United States (collectively "Bonds") that pay interest at fixed rates. The Bonds are classified as available-for-sale financial assets resulting in unrealized fair value gains or losses being reported in other comprehensive income. The effective yield on the Bonds is less than 1%. Should market interest rates rise in the future, it would have a negative effect on the fair value of the Bonds, which could be material, and would result in a realized loss if a Bond was sold before maturity. As of December 31, 2016 and 2015, the impact on the fair value of the Group's Bonds of a possible increase or decrease in the interest rates would be as follows.

Denomination Currency	Possible change	2016	2015
		USD '000	USD '000
Euro	+/–1%-point	–413/+413	–862/+862
GBP	+/–1%-point	–17/+17	–68/+68
USD	+/–1%-point	–359/+359	–835/+835

Notes to Consolidated Financial Statements (Continued)

Section 4—Capital Structure and Financial Risk and Related Items (Continued)

Credit Risk

The Group's management manages credit risk on a group basis. The Group's credit risk is associated with cash held in banks and the Bonds. The Group does not trade financial assets for speculative purposes and invests with the objective of preserving capital by investing in a diversified group of highly rated debt instruments.

For all periods presented here, the Group's cash and cash equivalents were held primarily at one bank in Denmark with a Moody's long-term credit rating of Aa3. The Group's available for sale financial assets are invested in government issued debt instruments that are carried at fair value with maturities not exceeding three years. Moody's credit rating of each of the individual governments is Aa1 or better. Subsequent to the receipt of the Non-refundable Fee, the Group's cash and cash equivalents has been diversified into three banks each with a Moody's long-term credit rating of A1 or better.

4.3 Other finance costs

	Year ended December 31,		
	2016	2015	2014
	USD '000	USD '000	USD '000
Interest on convertibles loans	—	—	(416)
Other financial expenses	(92)	(132)	(10)
	(92)	(132)	(426)

4.4 Financial assets and liabilities

Recognized financial instruments

The Group has recognized the following categories of financial assets and liabilities.

Financial assets:

Loans and receivables as of December 31, 2016 and 2015

	2016		2015	
	Carrying amount	Fair value	Carrying amount	Fair value
	USD '000	USD '000	USD '000	USD '000
Other receivables	427	427	689	689
Total	427	427	689	689

Notes to Consolidated Financial Statements (Continued)

Section 4—Capital Structure and Financial Risk and Related Items (Continued)

Available-for-Sale Financial Assets as of December 31, 2016 and 2015

The Company's available-for-sale financial assets include debt instruments issued by the governments of Germany, the United Kingdom and the United States.

	2016		2015	
	Carrying amount	Fair value	Carrying amount	Fair value
	USD '000	USD '000	USD '000	USD '000
Included in current assets (Level 1)				
Germany	41,821	41,821	17,223	17,223
United Kingdom	1,545	1,545	4,438	4,438
United States	37,459	37,459	19,976	19,976
Total	80,825	80,825	41,637	41,637

At December 31, 2016 the face values of the German, United Kingdom and United States available-for-sale financial assets were 39.3 million Euros, 1.2 million GBP and 37.5 million USD, respectively. At December 31, 2015 the face values of the German, United Kingdom and United States available-for-sale financial assets were 15.6 million Euros, 2.9 million GBP and 20.0 million USD respectively.

	2016		2015	
	Carrying amount	Fair value	Carrying amount	Fair value
	USD '000	USD '000	USD '000	USD '000
Included in non-current assets (Level 1)				
Germany	—	—	43,558	43,558
United Kingdom	—	—	1,855	1,855
United States	—	—	37,333	37,333
Total	—	—	82,746	82,746

At December 31, 2016 the Company did not hold non-current available-for-sale financial assets. At December 31, 2015 the face values of the German, United Kingdom and United States available-for-sale financial assets were 39.3 million Euros, 1.2 million GBP and 37.5 million USD, respectively.

Financial Liabilities:

Financial liabilities at amortized cost as of December 31, 2016 and 2015

	2016		2015	
	Carrying amount	Fair value	Carrying amount	Fair value
	USD '000	USD '000	USD '000	USD '000
Trade payables	2,073	2,073	3,986	3,986
Total	2,073	2,073	3,986	3,986

Notes to Consolidated Financial Statements (Continued)

Section 4—Capital Structure and Financial Risk and Related Items (Continued)

Fair value of trade payables is deemed to be their carrying amount based on payment terms that are generally 30 days.

Financial instrument valuation hierarchy

Financial instruments recognized at fair value are allocated to one of the following valuation hierarchy levels:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities. The Company's available-for-sale financial assets meet the definition of Level 1.

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly. The Group did not have financial instruments allocated to this level as of December 31, 2016 or 2015.

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data. The Group did not have financial instruments allocated to this level as of December 31, 2016 or 2015.

For all periods presented there were no transfers of financial instruments between Levels 1, 2 or 3.

Interest bearing convertible loan

As of December 31, 2013, the Group's borrowing consisted of a convertible loan denominated in DKK held by Nordic Biotech Opportunity Fund K/S, a related party. The loan was due on October 31, 2018 and was carried at amortized cost. Interest accrued at an annual rate of 20%. The convertible loan contained various terms and conditions including provisions for mandatory conversion, under certain defined circumstances, as well as optional conversion provisions into Company shares. On March 17, 2014 the convertible loan was cancelled in consideration for exercising shareholder warrants that are discussed below. The carrying value of the convertible loan was $2.5 million at the time of cancellation and was transferred from liability classification to share premium. Interest expense recognized during the year ended December 31, 2014 totaled $100,000.

Net settlement obligation of shareholder warrants

On May 31, 2011, Nordic Biotech Opportunity Fund K/S, one of the Company's shareholders, was granted 138,000 shareholder warrants that entitled the holder to acquire an equal number of Class A ordinary shares (or 2.5 million ordinary shares after the Proportional Shares and the Share Split adjustments) at an exercise price of approximately $1.07 per ordinary share after the Proportional Share and Share Split adjustments. The terms of the shareholder warrants allowed the holder to net settle in shares whereby the holder could exercise all the shareholder warrants and receive fewer Class A shares with a fair value equal to the intrinsic value of the shareholder warrants without remitting the exercise price. The shareholder warrants were carried at fair value with changes in fair value reflected in profit and loss. All shareholder warrants were exercised on March 17, 2014 in a single transaction in which 5,000 Class A shares (after the issuance of Proportional Shares and the Share Split adjustments) were issued for cash consideration of $5,000 and the balance in consideration for the cancellation of a convertible loan discussed above. The fair value of the shareholder warrants as of the exercise date was $27.0 million and was transferred from liability classification to share premium within shareholders' equity as of that date.

Notes to Consolidated Financial Statements (Continued)

Section 4—Capital Structure and Financial Risk and Related Items (Continued)

The following table summarizes the changes in the carrying value of the net settlement obligation of shareholder warrants for the year ended December 31, 2014:

	USD '000
Carrying amount at January 1, 2014	26,124
Fair value adjustment recognized as an expense	968
Exchange differences	(123)
Exercise	(26,969)
Carrying amount at December 31. 2014	—

Section 5—Other Disclosures

5.1 Related party disclosures

The Company is controlled by NB FP Investment K/S and its affiliates (collectively "NB"). The ultimate controlling party of the Company is Mr. Florian Schönharting who controls NB. See Notes 2.5, 3.4, 4.1, 4.4 and 5.2 for additional related party transactions.

A director of the Company, who was elected to the board of directors on July 20, 2015, was a partner at the law firm that provided Danish legal services to the Group prior to 2016 and is currently a partner at the law firm who commenced providing Danish legal services to the Group on January 1, 2016 and continues to provide such services. Remuneration paid to the law firms while the partner was a member of the Company's board of directors is referred to below as "Danish Legal Services". The director serves on the Company's board of directors in his individual capacity and not as a representative of any of the law firms.

Two directors of the Company, who were elected to the board of directors on May 6, 2016, each entered into a four-year consulting agreement with the Company. One of the consulting agreements commenced in September 2015 and the second during October 2016. The consulting agreements provided for the granting of 25,000 and 13,000 deferred shares, respectively, as full compensation for services to be rendered. The deferred shares vest in equal increments annually over four years from the date of grant. Unvested deferred shares vest immediately in the event there is a change in control as defined in the award agreement. Remuneration paid to the consultants, consisting only of share-based compensation, while the consultants were members of the Company's board of directors is referred to below as "Consulting Services."

Beginning in 2013, the Company was part of a Danish joint tax group with Tech Growth Invest ApS and subsidiaries of Tech Growth Invest ApS. The Company's participation in the Tech Growth Invest ApS Danish joint tax group ceased on January 1, 2016. On January 1, 2016, the Company became part of a new Danish joint taxation group with NB FP Investment General Partner ApS and Forward Pharma FA ApS. See Notes 2.5 and 5.2 for additional information.

Notes to Consolidated Financial Statements (Continued)

Section 5—Other Disclosures (Continued)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year or as of year end:

	Year ended or as of December 31,		
	2016	2015	2014
	USD '000	USD '000	USD '000
Purchase of services from NB	85	83	64
Danish Legal Services	1,377	560	—
Consulting Services	202	—	—
Amounts owed to related parties (excluding VAT)	723	217	—
Amounts owed by related parties	—	—	—

The above table excludes the related party transactions disclosed in Notes 2.5, 3.4, 4.1, 4.4 and 5.2.

Terms and conditions of transactions with related parties

Amounts due related parties are uncollateralized and interest free. There have been no guarantees provided or received for any related party receivables or payables.

Transactions with key management

The Group has not granted any loans, guarantees, or other commitments to or on behalf of any of the members of the board of directors or key management personnel.

Other than the remuneration including share-based payment relating to key management personnel described in Notes 2.3 and 2.4, no other significant transactions have taken place with key management personnel during the period presented herein.

Compensation paid to the members of the board of directors

Compensation paid to members of the Company's board of directors, excluding share-based compensation, for each of the years ended December 31, 2016, 2015 and 2014 totaled $87,000, $35,000 and $8,000 respectively. Share-based compensation paid to members of the Company's board of directors for each of the years ended December 31, 2016, 2015 and 2014 totaled $2.2 million, $1.8 million and $346,000 respectively.

Patent transfer agreement between Aditech Pharma AG and the Company

The Company has entered into agreements with Aditech Pharma AG, a related party, that are discussed in Note 5.2.

5.2 Commitments and contingent liabilities

Leasing as lessee

Lease contracts, where the lessor retains the significant risks and rewards associated with the ownership of the asset, are classified as operating leases. The Group's operating leases are for office space.

Lease payments under operating leases for office space are recognized in the statement of profit and loss over the lease term. The total remaining non-cancellable operating lease commitment as of

Notes to Consolidated Financial Statements (Continued)

Section 5—Other Disclosures (Continued)

December 31, 2016 is approximately $38,000 of which approximately $30,000 and $8,000 is payable during each of the years ending December 31, 2017 and 2018 respectively. Operating lease payments recognized as an expense amounted to $141,000, $135,000 and $107,000 for each of the years ended December 31, 2016, 2015 and 2014 respectively.

As of December 31, 2016 and 2015, a security deposit for leased office space of $5,000 is included in other non-current assets.

Contingent liabilities

Contingent liabilities are liabilities that arose from past events but whose existence will only be confirmed by the occurrence or non-occurrence of future events that in some situations are beyond the Groups' control.

During the period January 19, 2013 to December 31, 2015 ("Joint Taxation Period"), the Company was subject to a Danish joint taxation group with Tech Growth Invest ApS and entities under Tech Growth Invest ApS's control. A subsidiary of Tech Growth Invest ApS experienced a change in ownership on December 31, 2015. The effect of the change in ownership resulted in the year ended December 31, 2015 being the final year that the Company was part of the joint taxation group with Tech Growth. On January 1, 2016, the Company became part of a new Danish joint taxation group with NB FP Investment General Partner ApS and Forward Pharma FA ApS. The Company remains liable with other entities in the joint taxation group with Tech Growth Invest ApS for Tech Growth's Danish tax liabilities that can be allocated to the Joint Taxation Period and is liable with NB FP Investment General Partner ApS and Forward Pharma FA ApS for Danish tax liabilities resulting from the newly formed joint taxation group.

In 2004, a private Swedish company Aditech Pharma AB (together with its successor-in-interest, a Swiss company Aditech Pharma AG, "Aditech"), controlled by NB, began developing and filing patents for, among other things, formulations and dosing regimens of DMF. In 2005, the Company entered into a patent license agreement with Aditech to license this patent family from Aditech. In 2010, the Company acquired this patent family from Aditech pursuant to a patent transfer agreement ("Transfer Agreement") that replaced the patent license agreement. Under the Transfer Agreement, the Company obtained, among other things, Aditech's patents and associated know-how related to DMF formulations and delivery systems (the "Aditech IP"). In connection with the License Agreement, the Company and Aditech executed an addendum to the Transfer Agreement ("Addendum"). The Addendum clarified certain ambiguities with respect to the compensation due Aditech in the event the Company would enter into the License Agreement and also provided for Aditech to waive certain rights under the Transfer Agreement. The Addendum specifies that Aditech will receive 2% of the Non-refundable Fee (or $25 million) and is entitled to additional compensation should the Company receive royalties from Biogen under the License Agreement. The additional compensation due to Aditech will be determined based on whether Biogen has an exclusive or a co-exclusive license with the Company (on a country-by-country basis). If royalties are paid to the Company while Biogen has an exclusive license, Aditech will be entitled to receive a cash payment equal to 2% of the same base amount with respect to which the Company's royalty percentage is calculated, accruing from the same period of time as any royalty payment payable by Biogen to the Company (prior to taking into account taxes, duties and VAT, if any). If Biogen has a co-exclusive license, Aditech will receive a cash payment equal to 20% of the royalty remitted to the Company by Biogen and any third party to which the Company may assign its United States co-exclusive rights. Should the Company not assign its United States co-exclusive rights

Notes to Consolidated Financial Statements (Continued)

Section 5—Other Disclosures (Continued)

to a third party but instead utilize the United States co-exclusive rights to develop a DMF Formulation, the Company will, as it was also the case prior to entering into the Addendum, be required to pay Aditech a royalty of 2% of net sales of such a product. Aditech is considered to be a related party of the Company due to control over Aditech by NB.

5.3 Events after the reporting period

Subsequent to December 31, 2016 there were no events that were required to be reported except the License Agreement and the PTAB decision discussed on pages F-8 and F-9, and the Addendum to the Aditech Transfer Agreement discussed in Note 5.2.

The English part of this parallel document in Danish and English is an unofficial translation of the original Danish text. In the event of disputes or misunderstandings arising from the interpretation of the translation, the Danish language shall prevail.

	VEDTÆGTER FOR FORWARD PHARMA A/S CVR-NR. 28865880	**ARTICLES OF ASSOCIATION OF FORWARD PHARMA A/S CBR-NO. 28865880**
1	**NAVN OG FORMÅL**	**NAME AND OBJECTS**
1.1	Selskabets navn er Forward Pharma A/S.	The name of the company is Forward Pharma A/S.
1.2	Selskabets formål er direkte eller indirekte via datterselskaber at drive aktiviteter med udvikling, fremstilling, distribution og salg af lægemidler, og enhver anden relateret virksomhed efter bestyrelsens skøn. Herudover kan selskabet deltage i samarbejder eller indgå i partnerskaber med andre virksomheder inden for sit forretningsområde, herunder udlicensiere rettigheder inden for sit forretningsområde.	The object of the company is, directly or indirectly through subsidiaries, to conduct business within development, manufacturing, distribution and sale of drugs and medicaments, as well as any other related activities at the discretion of the board of directors. Furthermore, the company may, within its line of business, participate in partnerships or co-operate with other businesses, including by licensing out rights within its line of business.
2	**AKTIEKAPITAL OG AKTIER**	**SHARE CAPITAL AND SHARES**
2.1	Selskabets aktiekapital udgør nominelt kr. 4.718.399,90, fordelt i aktier à nominelt kr. 0,10 eller multipla heraf.	The company's nominal share capital is DKK 4,718,399.90, divided into shares of DKK 0.10 each or multiples thereof.
2.2	Aktiekapitalen er fuldt indbetalt.	The share capital has been fully paid up.
2.3	Aktierne skal lyde på navn og skal noteres på navn i selskabets ejerbog.	The shares shall be issued in the name of the holder and shall be recorded in the name of the holder in the company's register of shareholders.
2.4	Ejerbogen føres af Computershare A/S (CVR-nr. 27088899).	The register of shareholders is kept by Computershare A/S (Company Registration (CVR) no. 27088899).
2.5	Aktierne er ikke-omsætningspapirer. Der gælder ingen indskrænkninger i aktiernes omsættelighed.	The shares are non-negotiable instruments. No restrictions shall apply to the transferability of the shares.
2.6	Ingen aktier har særlige rettigheder.	No shares shall carry special rights.
2.7	Ingen aktionær skal være forpligtet til at lade sine aktier indløse helt eller delvist af selskabet eller andre.	No shareholder shall be under an obligation to have his shares redeemed in whole or in part by the company or by any third party.
2.8	Der udstedes ikke ejerbeviser for aktier i selskabet.	No share certificates are issued for the shares in the company.
3	**UDSTEDELSE AF WARRANTS OG FORHØJELSE AF AKTIEKAPITALEN**	**ISSUE OF WARRANTS AND INCREASE OF THE SHARE CAPITAL**
	Warrants til medarbejdere m.v.	**Warrants to employees etc.**
3.1	Selskabet har frem til 30. juni 2014 udstedt warrants til selskabets medarbejdere og konsulenter og medarbejdere og konsulenter i dets datterselskab, Forward Pharma GmbH, i et sådant omfang og på sådanne vilkår, som fremgår af bilag 1, der udgør en integreret del af disse vedtægter. Endvidere har bestyrelsen i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 1. juni 2016 udstedt yderligere 89.080 warrants, der er omfattet af bilag 1, til en af selskabets konsulenter uden fortegningsret for selskabets aktionærer.	"The company has up until 30 June 2014 issued warrants to the company's employees and consultants and employees and consultants of its subsidiary, Forward Pharma GmbH, to the extent and on such terms and conditions as set forth in appendix 1 which forms an integral part of these articles of association. In addition, pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on 1 June 2016 issued additional 89,080 warrants covered by appendix 1 to one of the company's consultants without any pre-emption rights for the company's shareholders.
3.2	Bestyrelsen er i perioden indtil 1. juni 2019 bemyndiget til, ad én eller flere	In the period until 1 June 2019, the board of directors is authorized, in

	gange, uden fortegningsret for selskabets eksisterende aktionærer, at udstede op til 5.340.000 warrants, der hver giver ret til at tegne en	one or more rounds, without pre-emption rights for the company's existing shareholders, to issue up to 5,340,000 warrants, which each

	aktie á nominelt DKK 0,10, til dets medarbejdere, direktionsmedlemmer, bestyrelsesmedlemmer og konsulenter og/eller medarbejdere, direktionsmedlemmer, bestyrelsesmedlemmer og konsulenter i dets datterselskaber. Bestyrelsen kan også benytte denne bemyndigelse til at udstede nye warrants som erstatning for eksisterende og ikke udnyttede warrants, der ejes af tidligere medarbejdere, direktionsmedlemmer, bestyrelsesmedlemmer og konsulenter i selskabet og dets datterselskaber. Bestyrelsen bemyndiges samtidig til at foretage de dertilhørende kapitalforhøjelser med op til nominelt DKK 534.000 aktier, det vil sige op til 5.340.000 aktier á nominelt DKK 0,10. De nye aktier, som kan tegnes ved udnyttelse af warrants, udstedes til en tegningskurs, der fastsættes af bestyrelsen, og som kan være lavere end markedskursen på tidspunktet for udstedelsen af de pågældende warrants. Øvrige vilkår for warrants fastsættes af bestyrelsen i forbindelse med bestyrelsens udnyttelse af bemyndigelsen.	entitles the holder to subscribe for one share of nominally DKK 0.10, to the company's employees, members of the management, members of the board of directors, and consultants and/or employees, members of the management, members of the board of directors and consultants of its subsidiaries. The board of directors may also use this authorization to issue new warrants in replacement of existing, unexercised warrants held by former employees, members of the management, members of the board of directors and consultants of the company and its subsidiaries. The board of directors is further authorized to implement the capital increases required for this purpose by up to nominally DKK 534,000 shares, i.e. up to 5,340,000 shares of nominally DKK 0.10 each. The subscription price for the new shares that may be subscribed for by exercise of the warrants in question shall be fixed by the board of directors and may be lower than the market price at the time of issue of the warrants. Other terms and conditions for the warrants, which can be issued by the board of directors according to the authorization, shall be fixed by the board of directors.
3.3	For aktier udstedt på baggrund af bemyndigelsen i punkt 3.2 skal i	For shares issued pursuant to the authorization in article 3.2 the following

	øvrigt gælde:	shall apply:
	at der ikke kan ske delvis indbetaling,	that no partial payment may take place;
	at tegningen af aktier foretages uden fortegningsret for de eksisterende aktionærer,	that the subscription shall be effected without pre-emption rights of the existing shareholders;
	at aktierne skal tegnes ved kontant indbetaling,	that the shares shall be subscribed for against payment of cash;
	at aktierne skal være ikke-omsætningspapirer,	that the shares shall be non-negotiable instruments
	at aktierne skal lyde på navn og noteres i selskabets ejerbog, og	that the shares shall be made out in the name of the holder and registered in the name of the holder in the company's register of shareholders; and
	at aktierne i øvrigt i enhver henseende har samme rettigheder som de eksisterende aktier.	that the shares in every respect shall carry the same rights as the existing shares.
	Bestyrelsen kan foretage de ændringer i selskabets vedtægter, der måtte være en følge af kapitalforhøjelsen.	The board of directors is entitled to make such changes amendments to the articles of association as may be required as a result of the capital increase.
3.3A	[Flyttet til punkt 1.1 i bilag 2 til vedtægterne]	[Moved to clause 1.1 of appendix 2 to the articles of association]
3.3B	[Flyttet til punkt 1.2 i bilag 2 til vedtægterne]	[Moved to clause 1.2 of appendix 2 to the articles of association]
3.3C	[Flyttet til punkt 1.3 i bilag 2 til vedtægterne]	[Moved to clause 1.3 of appendix 2 to the articles of association]
3.3D	[Flyttet til punkt 1.4 i bilag 2 til	[Moved to clause 1.4 of appendix 2 to

	vedtægterne]	the articles of association]
	Aktier til medarbejdere m.v.	**Shares to employees etc.**
3.4	Bestyrelsen er i perioden indtil 1. juni 2019 bemyndiget til uden fortegningsret for selskabets eksisterende aktionærer at forhøje selskabets aktiekapital, ad en eller flere omgange, med op til nominelt DKK 214.000 aktier ved udstedelse af aktier til dets medarbejdere, direktionsmedlemmer, bestyrelsesmedlemmer og konsulenter og/eller medarbejdere, direktionsmedlemmer, bestyrelsesmedlemmer og konsulenter i dets datterselskaber. De nye aktier udstedes til en kurs, der fastsættes af bestyrelsen og som kan være lavere end markedskursen. Øvrige vilkår for en sådan udstedelse af aktier fastsættes af bestyrelsen i forbindelse med bestyrelsens udnyttelse af bemyndigelsen.	In the period until 1 June 2019, the board of directors is authorized to increase the share capital of the company, in one or more rounds and without pre-emptive subscription rights for the existing shareholders, by up to nominally DKK 214,000 shares by issuance of shares to the company's employees, members of the management, members of the board of directors, and consultants and/or employees, members of the management, members of the board of directors and consultants of its subsidiaries. The new shares are issued at a price determined by the board of directors, which may be lower than the market price. Other terms and conditions for such issue of shares, which can be issued by the board of directors according to the authorization, shall be fixed by the board of directors.

3.5	For aktier udstedt på baggrund af bemyndigelsen i punkt 3.4 skal i øvrigt gælde:	For shares issued pursuant to the authorization in article 3.4 the following shall apply:
	at der ikke kan ske delvis indbetaling,	that no partial payment may take place;
	at tegningen af aktier foretages uden fortegningsret for de eksisterende aktionærer,	that the subscription shall be effected without pre-emption rights of the existing shareholders;
	at aktierne skal tegnes ved kontant indbetaling,	that the shares shall be subscribed for against payment of cash;
	at aktierne skal være ikke-omsætningspapirer,	that the shares shall be non-negotiable instruments;
	at aktierne skal lyde på navn og noteres i selskabets ejerbog, og	that the shares shall be made out in the name of the holder and registered in the name of the holder in the company's register of shareholders; and
	at aktierne i øvrigt i enhver henseende har samme rettigheder som de eksisterende aktier.	that the shares in every respect shall carry the same rights as the existing shares.
	Bestyrelsen kan foretage de ændringer i selskabets vedtægter, der måtte være en følge af kapitalforhøjelsen.	The board of directors is entitled to make such changes amendments to the articles of association as may be required as a result of the capital increase.
3.5A	Bestyrelsen har den 13. april 2015 udnyttet den i punkt 3.4 og 3.5 indeholdte bemyndigelse til at forhøje selskabets aktiekapital ved at udstede 142.150 aktier a nominelt DKK 0,10, i alt nominelt DKK 14.215.	The board of directors has on April 13, 2015 exercised the authorization included in articles 3.4 and 3.5 to increase the share capital of the company by issue of 142,150 shares of nominally DKK 0.10 each, in total nominally DKK 14,215.
3.5B	Bestyrelsen har den 29. juli 2016 udnyttet den i punkt 3.4 og 3.5 indeholdte bemyndigelse til at forhøje selskabets aktiekapital ved at udstede 142,155 aktier a nominelt DKK 0,10, i alt nominelt DKK 14.215,50. Den resterende del af bemyndigelsen udgør herefter nominelt DKK 185.569,50 aktier.	The board of directors has on July 29, 2016 exercised the authorization included in articles 3.4 and 3.5 to increase the share capital of the company by issue of 142,155 shares of nominally DKK 0.10 each, in total nominally DKK 14,215.50. Following this, the remaining part of the authorization amounts to nominally DKK 185,569.50 shares.
	Øvrige kapitalforhøjelser	**Other capital increases**
3.6	Bestyrelsen er indtil 1. oktober 2019 bemyndiget til at beslutte at forhøje selskabets aktiekapital, ad én eller flere gange, med et nominelt beløb på i alt op til DKK 1.000.000 ved udstedelse af aktier til en kurs fastsat af bestyrelsen, der kan være lavere end markedskursen.	The board of directors is authorised in the period until 1 October 2019 to resolve to increase the Company's share capital in one or more issues by up to a total nominal amount of DKK 1,000,000 at a price determined by the board of directors, which may be lower than the market price.
3.7	For aktier udstedt på baggrund af bemyndigelsen i punkt 3.6 skal i øvrigt gælde:	For shares issued pursuant to the authorization in article 3.6 the following shall apply:
	at der ikke kan ske delvis indbetaling,	that no partial payment may take place;
	at tegningen af aktier foretages uden fortegningsret for de eksisterende aktionærer,	that the subscription shall be effected without pre-emption rights of the existing shareholders;
	at aktierne skal tegnes ved kontant indbetaling, indbetaling i andre værdier end kontanter eller gældskonvertering,	that the shares shall be subscribed for against payment of cash, contribution in kind or conversion of debt;
	at aktierne skal være ikke-omsætningspapirer, og	that the shares shall be non-negotiable instruments; and
	at aktierne skal lyde på navn og noteres i selskabets ejerbog.	that the shares shall be made out in the name of the holder and registered in the name of the holder in the company's register of shareholders.
	Bestyrelsen kan foretage de ændringer i selskabets vedtægter, der måtte være en følge af kapitalforhøjelsen.	The board of directors is entitled to make such changes amendments to the articles of association as may be required as a result of the capital increase.

	IPO aktier	**IPO shares**
3.8	[Slettet]	[Deleted]
3.9	[Slettet]	[Deleted]
	Overallokeringsaktier	**Over-Allotment Shares**
3.10	[Slettet]	[Deleted]
3.11	[Slettet]	[Deleted]
3.12	[Slettet]	[Deleted]
4	**BEMYNDIGELSE TIL AT UDLODDE EKSTRAORDINÆRT UDBYTTE OG KØBE EGNE AKTIER**	**AUTHORIZATION TO DISTRIBUTE EXTRAORDINARY DIVIDENDS AND ACQUIRE OWN SHARES**
4.1	Bestyrelsen er af generalforsamlingen bemyndiget til at træffe beslutning om uddeling af ekstraordinært udbytte, såfremt Selskabets økonomiske situation giver grundlag for dette.	The board of directors is authorized to resolve to distribute extraordinary dividends if the company's financial situation warrants such distribution.
4.2	Bestyrelsen er i perioden indtil 1. oktober 2019 bemyndiget til at lade Selskabet erhverve egne aktier i et omfang således, at den pålydende værdi af Selskabets samlede beholdning af egne aktier ikke på noget tidspunkt overstiger 10 procent af aktiekapitalen. Vederlaget for de pågældende aktier må ikke afvige mere end 20 procent fra følgende kurs: Den ved erhvervelsen noterede kurs for de på NASDAQ Global Select Market, New York, under fondskode US34986J1051 handlede American Depositary Shares relateret til selskabets aktier divideret med 1	In the period until 1 October 2019, the board of directors is authorized to have the company acquire own shares to such extent that the nominal value of the company's aggregate holding of own shares at no time may exceed 10 percent of the share capital. The price payable for the shares in question may not deviate by more than 20 percent from the following price: The prevailing quoted price at the time of the acquisition applicable to the American Depositary Shares related to the company's shares traded under ISIN code US34986J1051 at NASDAQ Global Select Market, New York, divided by 1

	(svarende til antallet af underlæggende aktier i selskabet per American Depositary Share). Autorisationen kan benyttes til at (i) erhverve egne aktier direkte, og/eller (ii) erhverve American Depositary Shares som derefter kan overleveres til depotbanken mod levering af de underliggende aktier repræsenteret af American Depositary Shares.	(equaling the number of underlying shares in the company per American Depositary Share). The authorization can be utilized to (i) acquire own shares directly, and/or (ii) acquire American Depositary Shares which can then be surrendered to the depository bank enabling the company to take delivery of the underlying shares represented by such American Depository Shares.
5	**GENERALFORSAMLINGEN, AFHOLDELSESSTED OG INDKALDELSE**	**GENERAL MEETING, VENUE AND NOTICE**
5.1	Generalforsamlingen er inden for de ved lovgivningen og vedtægterne fastsatte grænser den højeste myndighed i selskabet.	The general meeting has the supreme authority in all matters relating to the company subject to law and these articles of association.
5.2	Selskabets generalforsamlinger afholdes i Region Hovedstaden, Danmark.	The general meetings of the company shall be held in the Capital Region of Denmark.
5.3	Selskabets ordinære generalforsamling afholdes i så god tid, at den reviderede og godkendte årsrapport kan indsendes til Erhvervsstyrelsen, så den er modtaget i styrelsen inden 5 måneder efter udløbet af hvert regnskabsår.	The annual general meeting of the company shall be held well in advance in order for the revised and adopted annual report to be sent to and received by the Danish Business Authority within 5 months after the expiry of each financial year.
5.4	Ekstraordinær generalforsamling afholdes, når bestyrelsen eller revisor forlanger det. Ekstraordinær generalforsamling skal endvidere afholdes, når det forlanges af aktionærer, der tilsammen ejer mindst fem procent af aktiekapitalen.	Extraordinary general meetings shall be held when determined by the board of directors or requested by the company's auditor. Furthermore, an extraordinary general meeting shall be held when requested by shareholders possessing no less than five per cent

	Sådan begæring skal ske skriftligt til bestyrelsen og være ledsaget af et bestemt angivet forslag til dagsordenspunkt. Bestyrelsen indkalder til en ekstraordinær generalforsamling senest to uger efter, at det er forlangt.	of the share capital. Such request shall be submitted in writing to the board of directors and be accompanied by a specific proposal for the business to be transacted. The board of directors convenes an extraordinary general meeting no later than two weeks after such request has been made.
5.5	Generalforsamlinger indkaldes af bestyrelsen med mindst to ugers og	General meetings shall be convened by the board of directors with at

højst fire ugers varsel. Indkaldelsen offentliggøres på selskabets hjemmeside og i øvrigt på den måde og i den form, som de børser, på hvilke selskabets aktier er noteret, til enhver tid måtte forlange. Indkaldelse sendes endvidere til alle i ejerbogen noterede aktionærer, som har fremsat begæring herom.

least two weeks' and not more than four weeks' notice. The notice shall be published on the company's website and moreover in such way and in such form as required from time to time by the stock exchanges on which the company's shares are listed. Furthermore, a notice of the general meeting shall be sent to all shareholders recorded in the company's register of shareholders who have so requested.

5.6 I indkaldelsen skal angives tid og sted for generalforsamlingen samt dagsorden, hvoraf det fremgår, hvilke anliggender der skal behandles på generalforsamlingen. Såfremt forslag til vedtægtsændringer skal behandles på generalforsamlingen, skal forslagets væsentligste indhold angives i indkaldelsen. Indkaldelse til generalforsamlingen, hvor der skal træffes beslutning efter selskabslovens § 77, stk. 2, § 92, stk. 1 eller 5, eller § 107, stk. 1 eller 2, skal indeholde den fulde ordlyd af forslaget.

The notice shall specify the time and place of the general meeting and the agenda containing the business to be transacted at the general meeting. If a proposal to amend the articles of association is to be considered at the general meeting, the main contents of the proposal must be specified in the notice. Notices convening general meetings at which a resolution shall be passed pursuant to Section 77(2), Section 92(1) or (5), or Section 107(1) or (2) of the Danish Companies Act must set out the full wording of the proposals.

5.7 I en periode på to uger før en generalforsamling, inklusive datoen for generalforsamlingens afholdelse, gøres følgende oplysninger tilgængelige på selskabets hjemmeside:

For a period of two weeks prior to the general meeting, including the date of the general meeting, the following information shall be available on the company's website:

(a) Indkaldelsen
(b) Det samlede antal aktier og stemmerettigheder på datoen for indkaldelsen
(c) De dokumenter, der skal fremlægges på generalforsamlingen
(d) Dagsordenen og de fuldstændige forslag samt for den ordinære generalforsamlings vedkommende tillige revideret årsrapport
(e) De formularer, der skal anvendes ved stemmeafgivelse pr. fuldmagt eller skriftligt ved brevstemme.

(a) The notice convening the general meeting;
(b) The total number of shares and voting rights on the date of the notice;
(c) The documents to be presented at the general meeting;
(d) The agenda and the complete proposals as well as, for annual general meetings, the audited annual report;
(e) The forms to be used for voting by proxy or voting by correspondence.

6 DAGSORDEN FOR DEN ORDINÆRE GENERALFORSAMLING, DIRIGENT og PROTOKOL

AGENDA FOR THE ANNUAL GENERAL MEETING, CHAIRMAN AND PROTOCOL

6.1 Enhver aktionær har ret til at få et bestemt emne behandlet på den ordinære generalforsamling. Begæring herom skal fremsættes skriftligt over for bestyrelsen senest seks uger før generalforsamlingens afholdelse.

Every shareholder shall be entitled to have a specific subject considered at the annual general meeting. Such proposals must be submitted in writing to the board of directors not later than six weeks prior to the general meeting.

6.2 Dagsordenen for den ordinære generalforsamling skal omfatte følgende:

The agenda for the annual general meeting shall include the following:

(a) Bestyrelsens beretning om

(a) The board of directors' report on the company's activities in the

selskabets virksomhed i det forløbne regnskabsår
(b) Fremlæggelse og godkendelse af revideret årsrapport
(c) Anvendelse af overskud eller dækning af underskud i henhold til den godkendte årsrapport
(d) Meddelelse af decharge til bestyrelsen og direktionen
(e) Valg af medlemmer til bestyrelsen
(f) Valg af revisor
(g) Eventuelle forslag fra bestyrelse og aktionærer
(h) Eventuelt

past financial year;
(b) Presentation and adoption of the audited annual report;
(c) Distribution of profit or covering of loss according to the adopted annual report;
(d) Discharge of the board of directors and the management board;
(e) Election of members to the board of directors;
(f) Appointment of auditor;
(g) Any proposals from the board of directors or shareholders;
(h) Any other business.

6.3 Generalforsamlingen ledes af en af bestyrelsen valgt dirigent, der afgør alle spørgsmål vedrørende behandling af dagsordenspunkterne, stemmeafgivning og resultaterne heraf.

The general meeting shall be presided over by a chairman elected by the board of directors. The chairman shall decide all questions regarding the business transacted, the casting of votes and the results of voting.

6.4 Der føres en protokol over generalforsamlingen, der underskrives af dirigenten.

Minutes of the proceedings of the general meeting shall be entered into a minute book to be signed by the chairman.

7 AKTIONÆRERNES MØDE- OG STEMMERET PÅ GENERALFORSAMLINGEN

SHAREHOLDERS' ATTENDANCE AND VOTING RIGHTS AT THE GENERAL MEETING

7.1 En aktionærs ret til at deltage i en generalforsamling og til at afgive stemme fastsættes i forhold til de aktier, aktionæren besidder på registreringsdatoen. Registreringsdatoen ligger en uge før generalforsamlingen. De aktier, den enkelte aktionær besidder, opgøres

The right of a shareholder to attend and vote at a general meeting is determined by the shares held by the shareholder at the record date. The record date is one week prior to the general meeting. The shares held by each shareholder at the record date is calculated based on the registration of

	på registreringsdatoen på baggrund af notering af aktionærens ejerforhold i ejerbogen samt eventuelle meddelelser om ejerforhold, som selskabet har modtaget med henblik på indførsel i ejerbogen, men som endnu ikke er indført i ejerbogen.	the number of shares held by that shareholder in the company's register of shareholders as well as on any notification of ownership received by the company for the purpose of registration in the Company's register of shareholders, but which have not yet been registered.
7.2	En aktionær, der er berettiget til at deltage i generalforsamlingen i henhold til punkt 6.1, og som ønsker at deltage i generalforsamlingen, skal senest tre dage før dens afholdelse anmode om adgangskort.	A shareholder who is entitled to attend the general meeting pursuant to article 6.1 and who wants to attend the general meeting shall request to receive an admission card no later than three days prior to the date of the general meeting.
7.3	En aktionær kan møde personligt eller ved fuldmægtig, og både aktionæren og fuldmægtigen kan møde med en rådgiver.	A shareholder may attend in person or by proxy, and the shareholder or the proxy may attend together with an adviser.
7.4	Stemmeret kan udøves i henhold til skriftlig og dateret fuldmagt i overensstemmelse med den til enhver tid gældende lovgivning herom.	The right to vote may be exercised by a written and dated proxy in accordance with applicable laws.
7.5	En aktionær, der er berettiget til at deltage i en generalforsamling i henhold til punkt 6.1, kan endvidere stemme skriftligt ved brevstemme i overensstemmelse med selskabslovens regler herom. Brevstemmer skal være selskabet i hænde senest dagen før generalforsamlingen. Brevstemmer kan ikke tilbagekaldes.	A shareholder who is entitled to participate in the general meeting pursuant to article 6.1 may vote by correspondence in accordance with the provisions of the Danish Companies Act. Such votes by correspondence shall be received by the Company not later than the day before the general meeting. Votes by correspondence cannot be withdrawn.
7.6	Hvert aktiebeløb på nominelt kr. 0,10 giver én stemme.	Each share of the nominal value of DKK 0.10 shall carry one vote.

7.7	Enhver aktionær er berettiget til at afgive forskellige stemmer på sine aktier. Kravet i selskabslovens § 104, stk. 1, hvorefter en kapitalejer skal stemme samlet på sine kapitalandele, er således fraveget ved denne bestemmelse.	Any shareholder is entitled to cast different votes on his shares. Accordingly, the requirement set out in Section 104 (1) of the Danish Companies Act according to which a shareholder must vote on his shares in aggregate, is deviated from by virtue of this provision.
8	**BESLUTNINGER PÅ GENERALFORSAMLINGEN**	**RESOLUTIONS AT GENERAL MEETINGS**
8.1	De på generalforsamlingen behandlede anliggender afgøres ved simpelt stemmeflertal blandt afgivne stemmer, medmindre andet følger af lovgivningen eller disse vedtægter.	Resolutions by the general meeting shall be passed by a simple majority of votes cast unless otherwise prescribed by law or by these articles of association.
8.2	Til vedtagelse af beslutning om vedtægtsændringer, selskabets opløsning, fusion eller spaltning kræves, at beslutningen vedtages med mindst 2/3 af såvel de afgivne stemmer som af den på generalforsamlingen repræsenterede aktiekapital, medmindre der i medfør af lovgivningen stilles strengere eller lempeligere vedtagelseskrav eller tillægges bestyrelsen eller andre organer selvstændig kompetence.	Adoption of changes to these articles of association, dissolution of the company, merger or demerger requires that the decision is adopted with at least 2/3 of the votes cast as well as the share capital represented at the general meeting, unless applicable laws prescribe stricter or less strict adoption requirements or applicable laws confer independent competence to the board of directors or other bodies.
9	**ELEKTRONISK KOMMUNIKATION**	**ELECTRONIC COMMUNICATION**
9.1	Al kommunikation fra selskabet til de enkelte aktionærer, herunder indkaldelse til generalforsamlinger, kan ske elektronisk via offentliggørelse på selskabets hjemmeside eller ved	All communication from the company to the individual shareholders, including notices convening general meetings, may take place electronically by posting on the company's website or by email. General notices shall be

	udsendelse via e-mail. Generelle meddelelser gøres tilgængelige på selskabets hjemmeside og på sådan anden måde, som måtte være foreskrevet i henhold til lov. Selskabet kan til enhver tid vælge i stedet at fremsende meddelelser mv. med almindelig post.	published on the company's website and in such other manner as may be prescribed by applicable laws. The company may at all times choose to send notices, etc., by ordinary post instead.
9.2	Kommunikation fra aktionærer til selskabet kan ske ved e-mail eller med almindelig post.	Communication from a shareholder to the company may take place by email or by ordinary post.
9.3	Selskabet anmoder de navnenoterede aktionærer om en e-mail	The company shall request all shareholders registered by name to

	adresse, hvortil meddelelser mv. kan sendes. Det er den enkelte aktionærs ansvar at sikre, at selskabet til stadighed er i besiddelse af korrekte oplysninger om e-mail adresse. Selskabet har ingen pligt til at søge oplysningerne berigtiget eller til at fremsende meddelelser på anden måde.	submit an email address to which notices, etc., may be sent. Each shareholder is responsible for ensuring that the company has the correct email address at all times. The company is not obliged to verify such contact information or to send notices in any other way.
9.4	Oplysninger om kravene til anvendte systemer samt om fremgangsmåden ved elektronisk kommunikation findes på selskabets hjemmeside, www.forward-pharma.com.	The company's website, www.forward-pharma.com, contains information about system requirements and electronic communication procedures.
10	**BESTYRELSEN**	**BOARD OF DIRECTORS**
10.1	Bestyrelsen varetager den overordnede ledelse af selskabet.	The board of directors shall be in charge of the overall management of the company.
10.2	Bestyrelsen består af mindst tre og højst syv medlemmer, der vælges af generalforsamlingen.	The board of directors consists of not less than three and not more than seven members elected by the general

		meeting.
10.3	Bestyrelsen vælger en formand blandt sine medlemmer.	The board of directors elects a chairman among its members.
10.4	De af generalforsamlingen valgte bestyrelsesmedlemmer vælges for en periode på ét år. Genvalg af bestyrelsesmedlemmer kan finde sted. Til selskabets bestyrelse kan kun vælges personer, som er yngre end 70 år på valgtidspunktet.	The members of the board of directors elected by the general meeting are elected for a term of one year. Re-election of board members may take place. Only persons who are younger than 70 years at the time of election may be elected to the board of directors.
10.5	Bestyrelsen er beslutningsdygtig, når over halvdelen af bestyrelsesmedlemmerne, herunder formanden, er repræsenteret.	The board of directors forms a quorum when more than half of its members are represented, including the chairman.
10.6	De i bestyrelsen behandlede anliggender afgøres ved simpelt stemmeflertal. I tilfælde af stemmelighed er formandens stemme udslagsgivende.	Resolutions of the board of directors are passed by simple majority. In the event of equal votes, the chairman shall have a casting vote.
10.7	Bestyrelsen skal ved sin forretningsorden træffe nærmere bestemmelse om udførelsen af sit hverv.	The board of directors shall adopt rules of procedure containing detailed provisions for the performance of its duties.
10.8	Over det på bestyrelsesmøderne passerede føres en protokol, der underskrives af samtlige bestyrelsesmedlemmer.	Minutes of the proceedings of the board meetings shall be recorded in a minute book to be signed by all members of the board of directors.
11	**DIREKTIONEN**	**EXECUTIVE MANAGEMENT**
11.1	Bestyrelsen ansætter en direktion bestående af ét til tre medlemmer til at varetage den daglige ledelse af	The board of directors appoints a management board consisting of one to three members to be in charge of

	selskabet.	the day-to-day management of the company.
12	**TEGNINGSREGEL**	**RULES OF SIGNATURE**
12.1	Selskabet tegnes (i) af bestyrelsens formand i forening med et bestyrelsesmedlem, (ii) af bestyrelsens formand i forening med et medlem af direktionen eller (iii) af den samlede bestyrelse.	The company shall be bound (i) by the joint signatures of the chairman and a member of the board of directors, (ii) by the joint signatures of the chairman and a member of the management board, or (iii) by the joint signatures of all members of the board of directors.
13	**REVISION**	**AUDIT**
13.1	Selskabets årsrapport revideres af en statsautoriseret revisor, der vælges af generalforsamlingen for ét år ad gangen. Genvalg kan finde sted.	The company's annual report shall be audited by a state-authorized public accountant elected by the general meeting for a one-year term. Re-election may take place.
14	**REGNSKABSÅR**	**FINANCIAL YEAR**
14.1	Selskabets regnskab er kalenderåret.	The company's financial year follows the calendar year.
15	**BILAG**	**APPENDICES**

15.1	Bilag 1: Warrant Vilkår	Appendix 1: Warrants Terms
	Bilag 2: 2014 Warrant Vilkår	Appendix 2: 2014 Warrant Terms
	Seneste ændring af vedtægterne, inklusive bilag, blev vedtaget den 29. marts 2017.	Latest amendment of the articles of association, including appendices, was resolved on 29 March 2017.

The English part of this parallel document in Danish and English is an unofficial translation of the original Danish text. In the event of disputes or misunderstandings arising from the interpretation of the translation, the Danish language shall prevail.

	BILAG 1 TIL VEDTÆGTER FOR FORWARD PHARMA A/S CVR-NR. 28865880	**APPENDIX 1 TO ARTICLES OF ASSOCIATION OF FORWARD PHARMA A/S CBR-NO. 28865880**
1	**WARRANTS**	**WARRANTS**
1.1	[Slettet]	[Deleted]
1.2	[Slettet]	[Deleted]
1.3	[Slettet]	[Deleted]
1.4	[Slettet]	[Deleted]
1.5	Generalforsamlingen har den 3. september 2012 truffet beslutning om at udstede 9.360 warrants til en af selskabets konsulenter uden fortegningsret for selskabets aktionærer. De udstedte warrants giver ret til at tegne op til nominelt DKK 16.686 aktier i selskabet til DKK 8,41424 pr. aktie a DKK 0,10.	On 3 September 2012, the general meeting has passed a resolution to grant 9,360 warrants to one of the company's consultants without any pre-emption rights for the company's shareholders. The warrants entitle the holder to subscribe for shares of a nominal value of up to DKK 16,686 in the company at a price of DKK 8.41424 per share of DKK 0.10.
	De nærmere vilkår for tegning og udnyttelse af de omhandlede warrants fremgår af punkt 2. Dog gælder følgende særlige vilkår for tegning og udnyttelse af de omhandlede warrants i henhold til dette punkt 1.5:	The specific terms governing the subscription and exercise of the warrants are set out in clause 2. However, the following special terms apply to subscription and exercise of the warrants under this clause 1.5:
	(i) Uanset punkt 2.1.4 skal de omhandlede warrants anses for tildelt den 1. juli 2012.	(i) Irrespective of clause 2.1.4, the warrants shall be deemed granted on 1 July 2012.

	(ii) Uanset punkt 2.2.1, 1. og 2. punktum, optjenes de omhandlede warrants lineært og successivt over en periode på 27 måneder. Endvidere skal 100 procent af de omhandlede warrants anses for optjent, såfremt en af følgende begivenheder (en "Change of Control Event") finder sted senest 31. marts 2015:	(ii) Irrespective of clause 2.2.1, first and second paragraph, the warrants shall vest linearly and successively over a period of 27 months. Further, 100 per cent of the warrants shall vest provided that one of the following events (a "Change of Control Event") is completed on or prior to 31 March 2015:
	(a) Overdragelse af aktier fra en eller flere aktionærer til en tredjepart eller ændringer i aktiekapitalen, hvorved en tredjepart opnår 50 procent eller mere af aktiekapitalen eller stemmerettighederne i selskabet, eller	(a) Transfer of shares from one or more shareholders to a third party or changes to the share capital, whereby a third party obtains 50 per cent or more of the share capital or voting rights in the company, or
	(b) Overdragelse og/eller licensering til en tredjepart af alle eller dele af selskabets aktiver relateret til immaterielle rettigheder, såfremt sådanne immaterielle rettigheder er af væsentlig betydning for selskabets virksomhed og formål, herunder immaterielle rettigheder relateret til lægemidler omfattende dimethylfumarate.	(b) Transfer and/or licencing of all or parts of the assets related to the intellectual property rights of the company to a third party, provided that such intellectual property rights are of major importance in respect of the business and objectives of the company, including intellectual property rights related to drug products comprising dimethylfumarate.
		For the purposes of the definition of Change of Control Event

	Ved definitionen af Change of Control Event er en investeringsfond eller andet investeringsselskab, der er direkte eller indirekte kontrolleret af investorerne eller en væsentlig del	"third party" shall not include an investment fund or other investment vehicle directly or indirectly controlled by the investors or a material part of the investors of Nordic Biotech K/S.

af investorerne i Nordic Biotech K/S, ikke omfattet af begrebet "tredjepart".

(iii) Uanset om andet måtte fremgå af punkt 2, så bortfalder disse warrants uden videre og uden kompensation, såfremt en Change of Control Event ikke er gennemført senest den 30. juni 2018.

(iv) En warrantmodtager kan i tilfælde af en Change of Control Event udnytte alle warrants på de vilkår, der fremgår af punkt 2.6.4 (ii).

(v) Punkt 2.4 erstattes af følgende:

(a) Såfremt selskabet opsiger warrantmodtagerens ansættelses- eller konsulentforhold, uden at der foreligger misligholdelse fra warrantmodtagerens side, bortfalder alle ikke-optjente warrants på tidspunktet for

(iii) Irrespective of anything to the contrary in clause 2, if a Change of Control Event has not been completed on or prior to 30 June 2018 the warrants shall lapse without any further notice and with-out compensation.

(iv) The warrant holder may in the event of a Change of Control Event exercise all warrants on the terms provided for in clause 2.6.4 (ii).

(v) Clause 2.4 shall be replaced by the following:

(a) If the company terminates the warrant holder's employment or engagement with the company without cause on the part of the warrant holder, all warrants that have not vested at the termination shall lapse without any further notice and without compensation. Vested warrants shall not be affected by the termination.

opsigelsen automatisk og uden kompensation. Warrants, der er optjent ret til berøres ikke af opsigelsen.

(b) I tilfælde af selskabets ophævelse af ansættelses- eller konsulentforholdet som følge af warrantmodtagerens misligholdelse, bortfalder alle, både optjente og ikke-optjente, warrants automatisk og uden kompensation.

(c) I tilfælde af warrantmodtagerens opsigelse af ansættelses- eller konsulentforholdet, uden at der foreligger væsentlig misligholdelse fra selskabets side, bortfalder alle, både optjente og ikke-optjente, warrants automatisk og uden kompensation.

(d) I tilfælde af warrantmodtagerens ophævelse af ansættelses- eller konsulentforholdet som følge af selskabets væsentlige misligholdelse, får opsigelsen ingen indflydelse på hverken optjente og ikke-optjente warrants.

(b) In case of termination of the employment or engagement with the company by the company as a consequence of cause on the part of the warrant holder, all warrants, whether vested or not, shall lapse without any further notice and without compensation.

(c) In case of the warrant holder's termination of the employment or engagement with the company without material cause on the part of the company, all warrants, whether vested or not, shall lapse without any further notice and without compensation.

(d) In case of the warrant holder's termination of the employment or engagement with the company as a consequence of material cause on the part of the company, all warrants, whether vested or not, shall remain unaffected by the termination.

(e) At the warrant holder's death all warrants that have not vested shall lapse without any further notice and without compensation. The warrant holder's estate and/or the lawful heirs shall be

(e) Ved warrantmodtagerens død bortfalder alle ikke-optjente warrants automatisk og uden kompensation. Warrantmodtagerens bo og/eller arvinger er berettiget til at overtage warrantmodtagerens rettigheder og forpligtelser for så vidt angår alle optjente warrants, såfremt boet/arvingerne i enhver henseende overholder de vilkår, der gælder for warrantmodtagerens warrants og aktier tegnet ved udnyttelse af disse warrants.

(f) I tilfælde af warrantmodtagerens pension på grund af alder eller invaliditet, bortfalder alle ikke-optjente warrants på tidspunktet for pensioneringen eller invalideringen automatisk og uden kompensation. Warrants, der er optjent ret til berøres ikke af opsigelsen.

Som konsekvens af beslutningen om udstedelsen af de omhandlede warrants har generalforsamlingen truffet beslutning om den dertilhørende kontante kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med

entitled to assume the warrant holder's rights and obligation vis-à-vis all vested warrants, provided that the estate and/or the lawful heirs shall comply with the terms for the warrant holder's warrants and the shares subscribed for pursuant to the warrants in every respect.

(f) In case of the warrant holder's age related retirement or retirement due to invalidity, all warrants that have not vested at the retirement or invalidity shall lapse without any further notice and without compensation. Vested warrants shall not be affected by the retirement or invalidity.

As a consequence of the resolution to grant warrants, the general meeting has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions laid down in clause 3 and in the following:

· The minimum and maximum amount by which the share capital may be increased, will be nominal DKK 0.10 and nominal 16,686, respectively; and

· The subscription will be made at a subscription rate of 8,414.24,

følgende:

· Det mindste og det højeste beløb, hvormed aktiekapitalen skal kunne forhøjes, udgør nominelt DKK 0,10 henholdsvis DKK 16.686, og

· Kapitalforhøjelsen sker til kurs 8.414,24, svarende til DKK 8,41424 pr. aktie a nominelt DKK 0,10.

corresponding to DKK 8.41424 per share of nominally DKK 0.10.

1.6 Generalforsamlingen har den 8. december 2012 truffet beslutning om at udstede i alt 9.360 warrants til en af selskabets bestyrelsesmedlemmer uden fortegningsret for selskabets aktionærer. De udstedte warrants giver ret til at tegne op til nominelt DKK 16.686 aktier i selskabet til DKK 8,41424 pr. aktie a nominelt DKK 0,10.

On 8 December 2012, the general meeting has passed a resolution to grant a total of 9,360 warrants to one of the company's board members without any pre-emption rights for the company's shareholders. The warrants entitle the holders to subscribe for shares of a nominal value of up to DKK 16,686 in the company at a price of DKK 8.41424 per share of DKK 0.10.

De nærmere vilkår for tegning og udnyttelse af de omhandlede warrants fremgår af punkt 2. Dog gælder følgende særlige vilkår for tegning og udnyttelse af warrants i henhold til dette punkt 1.6:

The specific terms governing the subscription and exercise of the warrants are set out in clause 2. However, the following special terms apply to subscription and exercise of the warrants under this clause 1.6:

(i) Uanset punkt 2.1.4 skal de omhandlede warrants anses for tildelt den 1. december 2012.

(i) Irrespective of clause 2.1.4, the warrants shall be deemed granted on 1 December 2012.

(ii) Uanset punkt 2.2.1, 1. og 2. punktum, optjenes de omhandlede

(ii) Irrespective of clause 2.2.1, first and second paragraph, the

warrants lineært og successivt over en periode på 22 måneder. Endvidere skal 100 procent af de omhandlede warrants anses for optjent, såfremt en af følgende begivenheder (en "Change of Control Event") finder sted senest den 30. juni 2015:

warrants shall vest linearly and successively over a period of 22 months. Further, 100 per cent of the warrants shall vest provided that one of the following events (a "Change of Control Event") is completed on or prior to 30 June 2015:

(a) Overdragelse af aktier fra en eller flere aktionærer til en tredjepart eller ændringer i aktiekapitalen, hvorved en tredjepart opnår 50 procent eller mere af aktiekapitalen og stemmerettighederne i selskabet, eller

(a) Transfer of shares from one or more shareholders to a third party or changes to the share capital, whereby a third party obtains 50 per cent or more of the share capital and voting rights in the company, or

(b) Overdragelse og/eller licensering til en tredjepart af alle eller dele af selskabets aktiver relateret til immaterielle rettigheder, såfremt sådanne immaterielle rettigheder er af væsentlig betydning for selskabets virksomhed og formål, herunder immaterielle rettigheder relateret til lægemidler omfattende dimethylfumarate.

(b) Transfer and/or licencing of all or parts of the assets related to the intellectual property rights of the company to a third party, provided that such intellectual property rights are of major importance in respect of the business and objectives of the company, including intellectual property rights related to drug products comprising dimethylfumarate.

Ved definitionen af Change of Control Event skal "tredjepart" ikke omfatte en investeringsfond eller anden investeringsenhed, der er direkte eller indirekte ledet af Florian Schönharting.

For the purposes of the definition of Change of Control Event "third party" shall not include an investment fund or other investment vehicle managed directly or indirectly by Florian Schönharting.

(iii) Irrespective of anything to the

(iii) Uanset om andet måtte fremgå af punkt 2, så bortfalder disse warrants uden videre og uden kompensation, såfremt en Change of Control Event ikke er gennemført senest den 30. november 2018.

contrary in clause 2, if a Change of Control Event has not been completed on or prior to 30 November 2018 the warrants shall lapse without any further notice and without compensation.

(iv) Warrantmodtageren kan i tilfælde af en Change of Control Event udnytte alle de omhandlede warrants på de vilkår, der fremgår af punkt 2.6.4 (ii).

(iv) The warrant holder may in the event of a Change of Control Event exercise all warrants on the terms provided for in clause 2.6.4 (ii).

(v) Punkt 2.4 erstattes af følgende:

(v) Clause 2.4 shall be replaced by the following:

(a) Såfremt selskabet opsiger warrantmodtagerens ansættelses- eller konsulentforhold, uden at der foreligger misligholdelse fra warrantmodtagerens side, optjenes alle warrants.

(b) I tilfælde af selskabets ophævelse af ansættelses- eller konsulentforholdet som følge af warrantmodtagerens misligholdelse, bortfalder alle, både optjente og ikke-optjente, warrants automatisk og uden kompensation.

(a) If the company terminates the warrant holder's employment or engagement with the company without cause on the part of the warrant holder, all warrants shall vest.

(b) In case of termination of the employment or engagement with the company by the company as a consequence of cause on the part of the warrant holder, all warrants, whether vested or not, shall lapse without any further notice and without compensation.

(c) In case of the warrant holder's termination of the employment or engagement with the company, all warrants that have not

(c) I tilfælde af warrantmodtagerens opsigelse af ansættelses- eller konsulentforholdet, bortfalder alle ikke-optjente, warrants automatisk og uden kompensation. Optjente warrants berøres ikke af warrantmodtagerens opsigelse.

(d) Ved warrantmodtagerens død bortfalder alle ikke-optjente warrants automatisk og uden kompensation. Warrantmodtagerens bo og/eller arvinger er berettiget til at overtage warrantmodtagerens rettigheder og forpligtelser for så vidt angår alle optjente warrants, såfremt boet/arvingerne i enhver henseende overholder de vilkår, der gælder for warrantmodtagerens warrants og aktier tegnet ved udnyttelse af disse warrants.

(e) I tilfælde af warrantmodtagerens pension på grund af alder eller invaliditet, bortfalder alle ikke-optjente warrants på tidspunktet for pensioneringen eller invalideringen automatisk og uden kompensation. Warrants, der er optjent ret til berøres ikke

vested, shall lapse without any further notice and without compensation. Vested warrants shall not be affected by the termination.

(d) At the warrant holder's death all warrants that have not vested shall lapse without any further notice and without compensation. The warrant holder's estate and/or the lawful heirs shall be entitled to assume the warrant holder's rights and obligation vis-à-vis all vested warrants, provided that the estate and/or the lawful heirs shall comply with the terms for the warrant holder's warrants and the shares subscribed for pursuant to the warrants in every respect.

(e) In case of the warrant holder's age related retirement or retirement due to invalidity, all warrants that have not vested at the retirement or invalidity shall lapse without any further notice and without compensation. Vested warrants shall not be affected by the retirement or invalidity.

As a consequence of the resolution to grant warrants, the general meeting has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and

af opsigelsen.

Samtidig med udstedelsen af de omhandlede warrants har generalforsamlingen truffet beslutning om den dertil hørende kontante kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

· Det mindste og det højeste beløb, hvormed aktiekapitalen skal kunne forhøjes, udgør nominelt DKK 0,10 henholdsvis DKK 16.686, og

· Kapitalforhøjelsen sker til kurs 8.414,24, svarende til DKK 8,41424 pr. aktie a nominelt DKK 0,10.

conditions laid down in clause 3 and in the following:

· The minimum and maximum amount by which the share capital may be increased, will be nominal DKK 0.10 and nominal 16,686, respectively; and

· The subscription will be made at a subscription rate of 8,414.24, corresponding to DKK 8.41424 per share of nominally DKK 0.10.

1.7 [Slettet]

[Deleted]

1.8 [Slettet]

[Deleted]

1.9 Generalforsamlingen har den 22. august 2013 truffet beslutning om at udstede i alt 7.000 warrants til en af selskabets konsulenter uden fortegningsret for selskabets aktionærer. De udstedte warrants giver ret til at tegne op til nominelt DKK 12.479 aktier i selskabet til DKK 51,62689 pr. aktie af nominelt DKK 0,10.

On 22 August 2013, the general meeting has passed a resolution to grant a total of 7,000 warrants to one of the company's consultants without any pre-emption rights for the company's shareholders. The warrants entitle the holder to subscribe for shares of a nominal value up to DKK 12,479 in the company at a price of DKK 51.62689 per share of nominally DKK 0.10.

De nærmere vilkår for tegning og udnyttelse af de omhandlede warrants fremgår af punkt 2. Dog gælder følgende særlige vilkår for tegning og udnyttelse af de omhandlede warrants i henhold til dette punkt 1.9:

The specific terms governing the subscription and exercise of the warrants are set out in clause 2. However, the following special terms apply to subscription and exercise of the warrants under this clause 1.9:

(i) Uanset punkt 2.1.4 skal de omhandlede warrants anses for tildelt den 1. juli 2013.

(i) Irrespective of clause 2.1.4, the warrants shall be deemed granted on 1 July 2013.

(ii) Uanset punkt 2.2.1, 1. og 2. punktum, skal de tildelte warrants optjenes lineært og løbende over en periode på 24 måneder. Endvidere skal 100 procent af de tildelte warrants være optjent såfremt en af følgende begivenheder er gennemført senest den 30. september 2014 (en "Change of Control Event"):

(ii) Irrespective of clause 2.2.1, first and second paragraph, the warrants shall vest linearly and successively over a period of 24 months. Further, 100 per cent of the warrants shall vest provided that one of the following events is completed on or prior to 30 September 2014 (a "Change of Control Event"):

(a) overdragelse af aktier fra en eller flere aktionærer til en tredjepart eller ændringer i aktiekapitalen, hvorved en tredjepart opnår 50 procent eller mere af aktiekapitalen og stemmerettighederne i selskabet, eller

(a) transfer of shares from one or more shareholders to a third party or changes to the share capital, whereby a third party obtains 50 per cent or more of the share capital or voting rights in the company, or

(b) overdragelse og/eller licensering til en tredjepart af alle eller dele af selskabets aktiver relateret til

(b) transfer and/or licencing of all or parts of the assets related to the intellectual property rights of the company to a third party, provided that such intellectual

immaterielle rettigheder, såfremt sådanne immaterielle rettigheder er af væsentlig betydning for selskabets virksomhed og formål, herunder immaterielle rettigheder relateret til lægemidler omfattende dimethylfumarate.

property rights are of major importance in respect of the business and objectives of the company, including intellectual property rights related to drug products comprising dimethylfumarate.

Ved definitionen af Change of Control Event er en investeringsfond eller andet investeringsselskab, der direkte eller indirekte er ledet af Florian Schönharting, ikke omfattet af begrebet "tredjepart".

For the purposes of the definition of Change of Control Event "third party" shall not include an investment fund or other investment vehicle managed directly or indirectly by Florian Schönharting.

(iii) warrantmodtageren kan udnytte de tildelte warrants i tilfælde af en Change of Control Event.

(iii) The warrant holder may in the event of a Change of Control Event exercise all warrants.

(iv) Punkt 2.6.6 finder tilsvarende anvendelse i tilfælde af en Change of Control Event.

(iv) Clause 2.6.6 shall apply accordingly in the event of a Change of Control Event.

(v) Punkt 2.4 erstattes af følgende:

(v) Clause 2.4 shall be replaced by the following:

(a) Såfremt Selskabet opsiger warrantmodtagerens ansættelses- eller konsulentforhold, uden at der foreligger misligholdelse fra warrantmodtagerens side, bortfalder alle ikke-optjente

(a) If the company terminates the warrant holder's employment or engagement with the company without cause (in Danish: misligholdelse) on the part of the warrant holder, all warrants that have not vested at the termination shall lapse without any further notice and without compensation. Vested warrants shall not be affected by the termination.

warrants på tidspunktet for opsigelsen automatisk og uden kompensation. Warrants, der er optjent ret til berøres ikke af opsigelsen.

(b) I tilfælde af selskabets ophævelse af konsulentforholdet som følge af warrantmodtagerens misligholdelse, bortfalder alle, både optjente og ikke-optjente, warrants automatisk og uden kompensation.

(b) In case of termination of the employment or engagement with the company by the company as a consequence of cause on the part of the warrant holder, all warrants, whether vested or not, shall lapse without any further notice and without compensation.

(c) I tilfælde af warrantmodtagerens opsigelse af konsulentforholdet, uden at der foreligger væsentlig misligholdelse fra selskabets side, bortfalder alle, både optjente og ikke-optjente, warrants automatisk og uden kompensation.

(c) In case of the warrant holder's termination of the employment or engagement with the company without material cause on the part of the company, all warrants, whether vested or not, shall lapse without any further notice and without compensation.

(d) Warrantmodtagerens ophævelse af ansættelses- eller konsulentforholdet som følge af selskabets væsentlige misligholdelse berører ikke de tildelte warrants (både optjente og ikke-optjente).

(d) In case of the warrant holder's termination of the employment or engagement with the company as a consequence of material cause on the part of the company, all warrants, whether vested or not, shall remain unaffected by the termination.

(e) At the warrant holder's death all warrants that have not vested

shall lapse without any further notice and without compensation. The warrant holder's estate and/or the lawful heirs shall be entitled to assume the warrant

(e) Ved warrantmodtagerens død bortfalder alle ikke-optjente warrants automatisk og uden kompensation. Warrantmodtagerens bo og/eller arvinger er berettiget til at overtage warrantmodtagerens rettigheder og forpligtelser for så vidt angår alle optjente warrants, såfremt boet/arvingerne i enhver henseende overholder de vilkår, der gælder for warrantmodtagerens warrants og aktier tegnet ved udnyttelse af disse warrants.

holder's rights and obligation vis-à-vis all vested warrants, provided that the estate and/or the lawful heirs shall comply with the terms for the Warrant Holder's warrants and the shares subscribed for pursuant to the warrants in every respect.

(f) I tilfælde af warrantmodtagerens pension på grund af alder eller invaliditet, bortfalder alle ikke-optjente warrants på tidspunktet for pensioneringen eller invalideringen automatisk og uden kompensation. Warrants, der er optjent ret til berøres ikke af opsigelsen.

(f) In case of the warrant holder's age related retirement or retirement due to invalidity, all warrants that have not vested at the retirement or invalidity shall lapse without any further notice and without compensation. Vested warrants shall not be affected by the retirement or invalidity.

Samtidig med udstedelsen af de omhandlede warrants har generalforsamlingen truffet beslutning om den dertil hørende kontante kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

As a consequence of the resolution to grant warrants, the general meeting has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions laid down in clause 3 and in the following:

· The minimum and maximum amount by which the share capital may be increased, will be nominally DKK 0.10 and nominally 12,479, respectively; and

· The subscription will be made at a subscription rate of 51,626.89, corresponding to DKK 51.62689 per share of nominally DKK 0.10.

· Det mindste og det højeste beløb, hvormed aktiekapitalen skal kunne forhøjes, udgør nominelt DKK 0,10 henholdsvis DKK 12.479, og

· Kapitalforhøjelsen sker til kurs 51.626,89 svarende til DKK 51,62689 pr. aktie a nominelt DKK 0,10.

1.10 [Slettet] [Deleted]

1.11 [Slettet] [Deleted]

1.12 [Slettet] [Deleted]

1.13 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 1. juni 2016 udstedt i alt 89.080 warrants til en af selskabets konsulenter uden fortegningsret for selskabets aktionærer. De udstedte warrants giver ret til at tegne for indtil nominelt DKK 8.908 aktier i selskabet til DKK 3,93012 pr. aktie af nominelt DKK 0,10.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on June 1, 2016 issued a total of 89,080 warrants to one of the company's consultants without any pre-emption rights for the company's shareholders. The warrants entitle the holder to subscribe for shares of a nominal value up to DKK 8,908 in the company at a price of DKK 3.93012 per share of nominally DKK 0.10.

De nærmere vilkår for tegning og udnyttelse af de omhandlede warrants fremgår af punkt 2 og 3. Dog gælder følgende særlige vilkår for tegning og

The specific terms governing the subscription and exercise of the warrants are set out in clauses 2 and 3. However, the following special terms apply to subscription and exercise of the

udnyttelse af de omhandlede warrants i henhold til dette punkt 1.13:

warrants under this clause 1.13:

(i) Uanset punkt 2.1.4 skal de tildelte warrants anses for tildelt den 1. juni 2016.

(i) Irrespective of clause 2.1.4, the warrants shall be deemed granted on 1 June 2016.

(ii) Uanset punkt 2.2 skal de tildelte warrants være fuldt optjent på tildelingstidspunktet.

(ii) Irrespective of clause 2.2, the warrants shall be fully vested on the grant date.

(iii) warrantmodtageren kan udnytte de tildelte warrants i tilfælde af en Change of Control Event (som defineret nedenfor). Punkt 2.6.6 finder tilsvarende anvendelse i tilfælde af en Change of Control Event.

"Change of Control Event" er defineret som:

(a) overdragelse af aktier fra en eller flere aktionærer til en tredjepart eller ændringer i aktiekapitalen, hvorved en tredjepart opnår 50 procent eller mere af aktiekapitalen og stemmerettighederne i selskabet, eller

(b) overdragelse og/eller licensering til en tredjepart af alle eller dele af Selskabets aktiver relateret til immaterielle rettigheder, såfremt sådanne immaterielle rettigheder

(iii) The warrant holder may in the event of a Change of Control Event (as defined below) exercise all warrants. Clause 2.6.6 shall apply accordingly in the event of a Change of Control Event.

"Change of Control Event" is defined as:

(a) transfer of shares from one or more shareholders to a third party or changes to the share capital, whereby a third party obtains 50 per cent or more of the share capital or voting rights in the company, or

transfer and/or licencing of all or parts of the assets related to the intellectual property rights of the company to a third party, provided that such intellectual property rights are of major importance in respect of the

er af væsentlig betydning for selskabets virksomhed og formål, herunder immaterielle rettigheder relateret til lægemidler omfattende dimethylfumarate.

Ved definitionen af Change of Control Event er en investeringsfond eller andet investeringsselskab, der direkte eller indirekte er ledet af Florian Schönharting, ikke omfattet af begrebet "tredjepart".

(iv) Uanset punkt 2.3.1 kan optjente warrants kun udnyttes i perioden fra datoen for tildelingen til den 30. juni 2018 (begge dage inklusive), og de tildelte warrants bortfalder den 1. juli 2018 uden yderligere varsel og uden kompensation. Uanset det foranstående udløber de tildelte warrants straks og annulleres uden kompensation, hvis nogle af de warrants, som selskabet tidligere har udstedt, og som warrantmodtagen er i besiddelse af på tildelingstidspunktet, udnyttes på et hvilket som helst tidspunkt.

(v) Punkt 2.4 erstattes af følgende:

business and objectives of the company, including intellectual property rights related to drug products comprising dimethylfumarate.

For the purposes of the definition of Change of Control Event "third party" shall not include an investment fund or other investment vehicle managed directly or indirectly by Florian Schönharting.

(iv) Irrespective of clause 2.3.1, vested warrants may only be exercised during the period from the date of the grant to 30 June 2018 (both dates inclusive) and the warrants shall lapse on 1 July 2018 without further notice or compensation. Notwithstanding the foregoing, the warrants will immediately expire and be cancelled for no compensation if any of the warrants previously issued by the company and held by the warrant holder at the grant date are exercised at any time

(v) Clause 2.4 shall be replaced by the following:

(g) If the company terminates the

(a) Såfremt selskabet opsiger warrantmodtagerens ansættelses- eller konsulentforhold, uden at der foreligger misligholdelse fra warrantmodtagerens side, bortfalder alle ikke-optjente warrants på tidspunktet for opsigelsen automatisk og uden kompensation. Warrants, der er optjent ret til berøres ikke af opsigelsen.

(b) I tilfælde af selskabets ophævelse af ansættelses- eller konsulentforholdet som følge af warrantmodtagerens misligholdelse, bortfalder alle, både optjente og ikke-optjente, warrants automatisk og uden kompensation.

(c) I tilfælde af warrantmodtagerens opsigelse af ansættelses- eller konsulentforholdet, uden at der foreligger væsentlig misligholdelse fra selskabets side, bortfalder alle, både optjente og ikke-optjente, warrants automatisk og uden kompensation.

warrant holder's employment or engagement with the company without cause (in Danish: misligholdelse) on the part of the warrant holder, all warrants that have not vested at the termination shall lapse without any further notice and without compensation. Vested warrants shall not be affected by the termination.

(h) In case of termination of the employment or engagement with the company by the company as a consequence of cause on the part of the warrant holder, all warrants, whether vested or not, shall lapse without any further notice and without compensation.

(i) In case of the warrant holder's termination of the employment or engagement with the company without material cause (in Danish: væsentlig misligholdelse) on the part of the company, all warrants, whether vested or not, shall lapse without any further notice and without compensation.

(j) In case of the warrant holder's termination of the employment or engagement with the company as a consequence of material cause on the part of the

(d) I tilfælde af warrantmodtagerens ophævelse af ansættelses- eller konsulentforholdet som følge af selskabets væsentlige misligholdelse, får opsigelsen ingen indflydelse på hverken optjente og ikke-optjente warrants.

(e) Ved warrantmodtagerens død bortfalder alle ikke-optjente warrants automatisk og uden kompensation. warrantmodtagerens bo og/eller arvinger er berettiget til at overtage warrantmodtagerens rettigheder og forpligtelser for så vidt angår alle optjente warrants, såfremt boet/arvingerne i enhver henseende overholder de vilkår, der gælder for warrantmodtagerens warrants og aktier tegnet ved udnyttelse af disse warrants.

(f) I tilfælde af warrantmodtagerens pension på grund af alder eller invaliditet, bortfalder alle ikke-optjente warrants på tidspunktet for pensioneringen eller invalideringen automatisk og uden kompensation. Warrants,

company, all warrants, whether vested or not, shall remain unaffected by the termination.

(k) At the warrant holder's death all warrants that have not vested shall lapse without any further notice and without compensation. The warrant holder's estate and/or the lawful heirs shall be entitled to assume the warrant holder's rights and obligation vis-à-vis all vested warrants, provided that the estate and/or the lawful heirs shall comply with the terms for the warrant holder's warrants and the shares subscribed for pursuant to the warrants in every respect.

(l) In case of the warrant holder's age related retirement or retirement due to invalidity, all warrants that have not vested at the retirement or invalidity shall lapse without any further notice and without compensation. Vested warrants shall not be affected by the retirement or invalidity.

As a consequence of the resolution to grant warrants, the general meeting has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions laid down in clause 3 and in

der er optjent ret til berøres ikke af opsigelsen.

Samtidig med udstedelsen af de omhandlede warrants har generalforsamlingen truffet beslutning om den dertil hørende kontante kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

- Det mindste og det højeste beløb, hvormed aktiekapitalen skal kunne forhøjes, udgør nominelt DKK 0,10 henholdsvis DKK 8.908, og
- Kapitalforhøjelsen sker til kurs 3.930,12 svarende til DKK 3,93012 pr. aktie a nominelt DKK 0,10.

the following:

- The minimum and maximum amount by which the share capital may be increased, will be nominally DKK 0.10 and nominally 8,908, respectively; and
- The subscription will be made at a subscription rate of 3,930.12, corresponding to DKK 3.93012 per share of nominally DKK 0.10.

2 VILKÅR FOR WARRANTS

Med respekt af det i punkt 1 ovenfor anførte skal følgende vilkår være gældende for warrants ("Warrants"), der er udstedt til medarbejdere, konsulenter, direktion og medlemmer af bestyrelsen i Forward Pharma A/S eller dets datterselskab ("Modtagerne") frem til 30. juni 2014, til tegning af aktier i Forward Pharma A/S ("Selskabet").

TERMS FOR WARRANTS

Subject to clause 1 above, the following terms shall apply for warrants (the "Warrants") issued to employees, consultants, management and members of the board of directors of Forward Pharma A/S or its subsidiary (the "Holders") up until 30 June 2014 for the subscription of shares in Forward Pharma A/S (the "Company").

2.1 TILDELING AF WARRANTS

2.1.1 Warrants tildeles vederlagsfrit, og hver Warrant berettiger Modtagerne til at tegne det antal aktier til de kurser, der fremgår af punkt 1.1-1.11 ovenfor.

2.1.2 Tildelingen og udnyttelsen af Warrants er betinget af, at Modtageren tiltræder samme forpligtelser og begrænsninger som de øvrige aktionærer har eller efterfølgende påtager sig i henhold til vedtægterne og den eventuelle ejeraftale, der til enhver tid måtte være indgået mellem de eksisterende aktionærer i Selskabet, herunder, men ikke begrænset til, bestemmelser om opdeling i ekstra aktieklasser, præferencestilling til udbytte-, likvidations- og salgsprovenu, omsættelighedsbegrænsninger, forkøbsrettigheder, bindingsperiode, medsalgspligt, pligt til at acceptere ændringer i ejeraftalen m.v.

2.1.3 Warrants kan tegnes af Modtageren i en periode på indtil 2 uger efter,

GRANT OF WARRANTS

The Warrants shall be granted without any consideration and every Warrant entitles the Holders to subscribe for such number of shares at such prices as are set out in clauses 1.1-1.11 above.

The grant and exercise of the Warrants shall be conditional on the Holder's adherence to the same obligations and limitations as the other holders of shares have or will undertake in accordance with the articles of association and the shareholders' agreement entered into among the existing shareholders in the Company from time to time, if any, including, but not limited to, provisions regarding division into additional share classes, dividend, liquidation and trade sale proceeds preference, restrictions of the shares transferability, pre-emption rights, lock-up period, drag along rights, obligation to commit to amendments to the shareholders' agreement etc.

The Warrants may be subscribed for, by the Holder for a period of

at Selskabet har tilbudt Modtageren Warrants, ved underskrivelse af aftale om tegning ("Tegningslisten") og indlevering heraf til Selskabet. Såfremt Tegningslisten ikke indleveres til Selskabet rettidigt, bortfalder Selskabets tilsagn til den pågældende

two weeks as of the date of the Company offering the Holder the Warrants by signing an agreement of subscription (the "Subscription List") and delivery hereof to the Company. If the Subscription List is not delivered to the Company before expiry of the said period, the offer from the Company to

Modtager.

the Holder will lapse.

2.1.4 Warrants tildeles med virkning fra den dato, hvor Selskabet og Modtageren begge har underskrevet Tegningslisten ("Tildelingstidspunktet"), medmindre andet fremgår af Tegningslisten. Af praktiske hensyn sker den formelle tildeling af Warrants, om nogen, i almindelighed en gang om året.

The Warrants shall be granted with effect from the date when the Company and the Holder have signed the Subscription List (the "Time of Grant") except as otherwise provided for in the Subscription List. For practical purposes the formal grant of Warrants, if any, will normally be carried out once a year.

2.2 OPTJENING AF WARRANTS

VESTING OF SHARES

2.2.1 Warrants optjenes med 25 % i hvert af de fra Tildelingstidspunktet følgende 4 år. Således optjenes 25 % af de omhandlede Warrants 1 år efter Tildelingstidspunktet, 50 % 2 år efter Tildelingstidspunktet, 75 % 3 år efter Tildelingstidspunktet og 100 % 4 år efter Tildelingstidspunktet. Dog finder de i pkt. 2.4 anførte vilkår for optjening anvendelse, hvis Modtagerens ansættelse i eller tilknytning til Selskabet ophører.

The Warrants shall vest (*in Danish:* optjenes) with 25% in each of the four years following the Time of Grant. Consequently, 25% of the Warrants shall vest one year after the Time of Grant, 50% two years after the Time of Grant, 75% three years after the Time of Grant and 100% four years after the Time of Grant. However, in case of termination of the Holder's employment or engagement with the Company the terms for vesting set out in clause 2.4 shall apply.

2.2.2 Optjeningen af Warrants er betinget af, at Modtageren er ansat i eller tilknyttet Selskabet. Modtageren optjener ingen Warrants, hvis ansættelsesforholdet eller tilknytning til Selskabet ophører, uanset årsagen hertil, medmindre andet er foreskrevet i dansk lovgivning.

The vesting of Warrants shall be subject to the Holder being employed with or engaged by the Company. No Warrants shall vest after the termination of the Holder's employment or engagement with the Company irrespective of the reason for such termination except if otherwise provided for in mandatory Danish law.

2.2.3 Optjeningen af Warrants påvirkes ikke af lovreguleret orlov.

The vesting of Warrants shall not be influenced by leave of absence regulated by law.

2.3 BETINGELSER OG FREMGANGSMÅDE FOR UDNYTTELSE AF WARRANTS

CONDITIONS AND PROCEDURE FOR THE EXERCISE OF THE WARRANTS

2.3.1 Modtageren kan udnytte sine optjente Warrants i en periode på seks (6) år fra Tildelingstidspunktet. Dog kan udnyttelse alene finde sted i en periode på tre (3) uger efter offentliggørelsen af Selskabets årsrapport eller kvartalsregnskaber i hvert af de respektive år ("Udnyttelsesperioden"). Hvis Modtagerens ansættelse i eller tilknytning til Selskabet ophører, finder de i pkt. 2.4 anførte vilkår for udnyttelse af Warrants anvendelse, og vilkårene i pkt. 2.6 finder anvendelse i tilfælde af Selskabets likvidation, fusion, spaltning og ved salg eller ombytning af aktiemajoriteten.

The Holder may exercise the vested Warrants for a period of six (6) years from the Time of Grant. However, the exercise may only be carried out in a period of three (3) weeks following the publication of the Company's annual report or quarterly financial statements in each of the respective years (the "Exercise Period"). In case of termination of the Holder's employment or engagement with the Company, the terms for exercising the Warrants set out in clause 2.4 shall apply and the terms in clause 2.6 shall apply in case of the Company's liquidation, merger, demerger, and in case of a trade sale or swap of the share majority.

2.3.2 Modtageren kan i Udnyttelsesperioden udnytte sine optjente Warrants ad én eller flere omgange, indtil Modtageren i alt har tegnet det samlede antal aktier, som de optjente Warrants berettiger Modtageren til at tegne i Selskabet.

During the Exercise Period, the Holder may exercise the vested Warrants in one or more rounds until the Holder has subscribed for the total number of shares that the vested Warrants entitle the Holder to subscribe for in the Company.

2.3.3 Hvis Modtageren ønsker at udnytte sine optjente Warrants, skal

If the Holder wishes to exercise the vested Warrants, the Holder shall

Modtageren give Selskabets bestyrelse skriftlig meddelelse herom, senest samme dag, som udnyttelsen ønskes gennemført, med angivelse af, hvor mange aktier der ønskes tegnet. Selskabet er herefter forpligtet til at foranledige, at Modtageren gives adgang til at foretage den ønskede tegning samt til at gennemføre den fornødne forhøjelse af aktiekapitalen.

notify the Company's board of directors in writing no later than the day of carrying out the exercise, stating the number of shares to be subscribed for. The Company shall subsequently be obliged to arrange for the Holder's subscription and to carry out the necessary increase of the share capital.

2.3.4 Senest syv (7) dage efter meddelelsen om tegning skal Modtageren kontant, ved bankgaranteret check eller på anden af Selskabet

No later than seven (7) days after the notification of exercise, the Holder shall pay in cash by bank transfer or in such other manner as

	foreskreven måde indbetale det fulde beløb til tegning af det antal aktier, som Modtageren ønsker at tegne. Selskabet bekræfter tegningen og indbetalingen og indfører efter registrering af forhøjelsen af aktiekapitalen hos Erhvervsstyrelsen Modtageren i Selskabets aktiebog.	the Company may require, the full subscription amount for the number of shares the Holder wishes to subscribe for. The Company shall confirm the subscription and payment, and following registration of the increase of the share capital with the Danish Business Authority, the subscription of the Holder will be entered into the Company's register of shareholders.
2.3.5	Såfremt Selskabet børsnoteres, er Modtagerens udnyttelse af optjente Warrants og den efterfølgende aktiebesiddelse i Selskabet underlagt de til enhver tid gældende regler for børsnoterede aktier, herunder reglerne om insiderhandel.	If the Company is to be listed on a stock exchange, the Holder's exercise of vested Warrants and the subsequent holding of shares in the Company shall be governed by the regulation applicable from time to time for listed shares, including all relevant regulations relating to insider trading.
2.3.6	Warrants, der ikke er udnyttet ved Udnyttelsesperiodens udløb, bortfalder uden yderligere varsel og	Warrants that are not exercised at the expiration of the Exercise Period will lapse without any further notice and

	uden kompensation.	without compensation.
2.4	**OPHØR AF MODTAGERENS FORHOLD TIL SELSKABET**	**TERMINATION OF THE HOLDER'S RELATIONS WITH THE COMPANY**
	Selskabets opsigelse af Modtagerens ansættelsesforhold i eller tilknytning til Selskabet	*The Company's Termination of the Holder's Employment or Engagement with the Company*
2.4.1	Såfremt Selskabet opsiger Modtagerens ansættelsesforhold i eller tilknytning til Selskabet, uden at dette skyldes Modtagerens misligholdelse, har Modtageren ret til at udnytte optjente, ikke-udnyttede Warrants i henhold til pkt. 2.3. De omhandlede Warrants skal i givet fald og uanset pkt. 2.2.1 anses for optjent lineært og successivt over en periode på fire (4) år fra Tildelingstidspunktet. Warrants, der ikke er udnyttet, bortfalder uden yderligere varsel og uden kompensation. Dog, har Modtageren, såfremt han er lønmodtager - lønmodtager som det defineres i aktieoptionsloven — ret til at udnytte de omhandlede Warrants i overensstemmelse med de ufravigelige principper i nævnte lov.	If the Company terminates the Holder's employment or engagement with the Company without cause (*in Danish:* misligholdelse) on the part of the Holder, the Holder shall have a right to exercise vested, not exercised Warrants in accordance with clause 2.3. The Warrants shall in this case and irrespective of clause 2.2.1 be regarded as having vested linearly and successively over a period of four (4) years from the Time of Grant. Warrants that are not exercised will lapse without any further notice and without compensation. However, if the Holder is an employee (*in Danish:* lønmodtager) as defined in the Danish regulation regarding warrants (*in Danish:* Aktieoptionsloven), the Holder has a right to exercise the warrants in accordance with the mandatory principles in the said regulation.
	Modtagerens opsigelse af ansættelsesforholdet i eller tilknytning til Selskabet	*The Holder's Termination of the Employment or Engagement with the Company*
2.4.2	I tilfælde af Modtagerens opsigelse af ansættelsesforholdet i Selskabet eller	In case of the Holder's termination of the employment or engagement with

	tilknytning til Selskabet uden at Selskabet væsentligt har misligholdt sine forpligtelser, har Modtageren ret til at udnytte optjente ikke-udnyttede Warrants. De omhandlede Warrants skal i givet fald og uanset pkt. 2.2.1 anses for optjent lineært og successivt over en periode på fire (4) år fra Tildelingstidspunktet. Dog bortfalder alle Warrants, der ikke er udnyttet inden en (1) måned fra datoen for opsigelsen af ansættelsesforholdet i eller tilknytning til Selskabet, uden yderligere varsel og uden kompensation.	the Company without material cause (*in Danish:* væsentlig misligholdelse) on the part of the Company, the Holder shall have a right to exercise vested, not exercised Warrants. The Warrants shall in this case and irrespective of clause 2.2.1 be regarded as having vested linearly and successively over a period of four (4) years from the Time of Grant. However, all Warrants which have not been exercised within one (1) month from the date of termination of the employment or engagement with the Company will lapse without any further notice and without compensation.
	I tilfælde af Modtagerens opsigelse af ansættelsesforholdet i eller tilknytning til Selskabet som følge af at Selskabet væsentligt har misligholdt sine forpligtelser kan Modtageren udnytte sine Warrants som beskrevet under pkt. 2.4.1.	In case of the Holder's termination of the employment or engagement with the Company as a consequence of material cause on the part of the Company, the Holder may exercise the Warrants as described under clause 2.4.1.
	Selskabets/Modtagerens opsigelse af ansættelsesforholdet i eller tilknytning til Selskabet som følge af Modtagerens misligholdelse af sine forpligtelser	*The Company's/the Holder's Termination of the Employment or Engagement with the Company as a Consequence of Cause on the Part of the Holder*
2.4.3	I tilfælde af Selskabets eller Modtagerens opsigelse af ansættelsesforholdet i eller tilknytning til Selskabet som følge af Modtagerens misligholdelse af sine forpligtelser overfor Selskabet bortfalder alle Warrants, der ikke er	In case of termination of the employment or engagement with the Company by the Company or the Holder as a consequence of cause on the part of the Holder, all Warrants which have not been exercised at the time of the breach will lapse without any further

udnyttet på det tidspunkt, hvor misligholdelsen sker uden yderligere varsel og uden kompensation.

notice and without compensation.

Ophør ved Modtagerens død

Termination at the Death of the Holder

2.4.4 Ved Modtagerens død har boet og/eller arvingerne ret til at udnytte optjente, ikke-udnyttede Warrants, jf. pkt. 2.3. De omhandlede Warrants skal i givet fald og uanset pkt. 2.2.1 anses for optjent lineært og successivt over en periode på fire (4) år fra Tildelingstidspunktet. Endvidere kan optjente, ikke-udnyttede Warrants udnyttes forud for boets afslutning, dog aldrig på et tidspunkt, der ligger efter Udnyttelsesperiodens udløb. Boet og/eller arvingerne er i øvrigt i enhver henseende underlagt de for Modtageren fastsatte vilkår for de omhandlede Warrants og de tegnede aktier i overensstemmelse med de omhandlede Warrants i enhver anden henseende.

At the Holder's death, the Holder's estate and/or the lawful heirs shall have a right to exercise the vested, not exercised Warrants, see clause 2.3. In this case and irrespective of clause 2.2.1, the Warrants shall be regarded as having vested linearly and successively over a period of four (4) years from the Time of Grant. Furthermore, vested, not exercised Warrants may be exercised immediately before the winding up of the estate, however, never at a time after the expiration of the Exercise Period. The estate and/or the lawful heirs shall otherwise comply with the terms for the Holder's Warrants and the shares subscribed for pursuant to Warrants in every other respect.

Ophør ved Modtagerens aldersbetinget pensionering eller invaliditet

Termination at the Holder's Age related Retirement or Invalidity

2.4.5 Ved Modtagerens aldersbetingede pensionering eller invaliditet har Modtageren ret til at udnytte optjente, ikke-udnyttede Warrants, jf. pkt. 2.3. De omhandlede Warrants skal i givet fald uanset pkt. 2.2.1 anses for optjent lineært og successivt over en periode på fire (4) år fra

In case of the Holder's age related retirement or invalidity, the Holder shall have a right to exercise vested, not exercised Warrants, see clause 2.3. In this case and irrespective of clause 2.2.1, the Warrants shall be regarded as vested linearly and successively over a period of four (4)

Tildelingstidspunktet. Modtageren skal i øvrigt være underlagt de for Modtagerens fastsatte vilkår for de omhandlede Warrants og de tegnede aktier i overensstemmelse med de omhandlede Warrants i enhver anden henseende. Hvis Modtageren er en lønmodtager som defineret i dansk lovgivning vedrørende warrants, har Modtageren ret til at udnytte de omhandlede Warrants i overensstemmelse med de ufravigelige principper i nævnte lov.

years from the Time of Grant. The Holder shall otherwise comply with the terms set out for the Holder's Warrants and the shares subscribed for pursuant to Warrants in every other respect. However, if the Holder is an employee as defined in the Danish regulation regarding warrants, the Holder has a right to exercise warrants in accordance with the mandatory principles in the said regulation.

2.5 REGULERING AF WARRANTS VED ÆNDRING I SELSKABETS KAPITALFORHOLD

ADJUSTMENT OF THE WARRANTS IN CASE OF CHANGES OF THE COMPANY'S CAPITAL

2.5.1 I tilfælde af ændring i Selskabets kapitalforhold forud for udnyttelsen af Warrants foretages der ingen regulering af tegningsprisen og/eller antallet af aktier, der kan tegnes på grundlag af de omhandlede Warrants, medmindre andet følger af dette pkt. 2.5.

The subscription rate and/or the number of shares to be subscribed for on the basis of Warrants shall not be subject to adjustment in case of changes of the Company's capital prior to the exercise of the Warrants except as provided for in this clause 2.5.

2.5.2 Såfremt Selskabet udsteder bonusaktier eller gennemfører et aktiesplit, skal antallet af aktier (nedrundet), der kan tegnes på grundlag af Warrants, forøges på en sådan måde, at Modtageren kompenseres som om Modtageren i relation til egenkapitalen i Selskabet havde udnyttet de omhandlede Warrants forud for udstedelse af bonusaktier/aktiesplit.

In case the Company issues bonus shares or carries out a share split (*in Danish:* aktiesplit), the number of shares to be subscribed for on the basis of the Warrants shall be increased (rounded down) so that the Holder is compensated therefore as if the Holder in respect of share equity in the Company had exercised the Warrants prior to the issue of bonus shares/share split.

2.5.3 Såfremt Selskabet udbetaler udbytte, skal udnyttelsesprisen for aktierne, der kan tegnes på grundlag af Warrants, nedsættes for at kompensere Modtageren for sådan udbyttebetaling. I overensstemmelse med ufravigelige regler kan udnyttelsesprisen imidlertid ikke nedsættes til under kurs 100 (kr. 0,10 pr. aktie á nominelt kr. 0,10).

In case the Company distributes dividend, the exercise price of the shares to be subscribed for on basis of the Warrants shall be reduced to compensate the Holders for such distribution. However, according to mandatory regulation the exercise price cannot be reduced to below the rate of 100 (DKK 0.10 per share of nominally DKK 0.10).

2.5.4 Såfremt Selskabets aktiekapital nedsættes for at dække underskud, skal antallet af aktier (nedrundet), der kan tegnes på grundlag af Warrants, reduceres på en sådan måde, at Modtageren i relation til egenkapitalen i Selskabet stilles som om de omhandlede Warrants var udnyttet forud for nedsættelsen af aktiekapitalen.

In case the Company's share capital is reduced to cover a deficit (*in Danish:* kapitalnedsættelse til dækning af underskud), the number of shares to be subscribed for on the basis of the Warrants shall be reduced (rounded down) so that the Holder in respect of share equity in the Company is put in the same position as if the Warrants were exercised prior to the reduction of the share capital.

2.6 VILKÅR VED LIKVIDATION, FUSION, SPALTNING OG SALG ELLER OMBYTNING AF AKTIEMAJORITETEN

TERMS IN CASE OF LIQUIDATION, MERGER, DEMERGER AND TRADE SALE OR SWAP OF THE SHARE MAJORITY

Likvidation

2.6.1 Såfremt det besluttes at likvidere Selskabet, kan Modtageren forud for likvidationen, uanset pkt. 2.3, udnytte sine optjente Warrants, der endnu ikke er udnyttet, jf. pkt. 2.6.6.

Liquidation

If it is resolved to liquidate the Company, the Holder may prior to the liquidation, irrespective of clause 2.3, exercise vested Warrants which have not yet been exercised, see clause 2.6.6.

Fusion

2.6.2 Såfremt Selskabet fusionerer som det ophørende selskab kan det (de) fortsættende selskab(er) vælge én af følgende muligheder:

(i) Modtageren kan, uanset pkt. 2.3, umiddelbart inden fusionen udnytte sine optjente Warrants, jf. pkt. 2.6.6, eller

(ii) Warrants erstattes af nye aktieinstrumenter i det (de) fortsættende selskab(er) af tilsvarende økonomisk værdi for Modtageren efter skat.

Såfremt Selskabet fusionerer som det fortsættende selskab, påvirkes Warrants ikke.

Merger

If the Company merges as the discontinuing company, the continuing company(ies) may choose one of the following options:

(i) The Holder may irrespective of clause 2.3, immediately before the merger be allowed to exercise all vested Warrants, see clause 2.6.6, or

(ii) The Warrants may be replaced by new share instruments in the continuing company(ies) having a similar economic value for the Holder after tax.

If the Company merges as the continuing company, the Warrants shall not be affected.

Spaltning

2.6.3 Såfremt Selskabet spaltes, kan det (de) fortsættende selskab(er) vælge én af følgende muligheder:

(i) Modtageren kan, uanset pkt. 2.3, umiddelbart inden spaltningen udnytte sine optjente Warrants, der endnu ikke er udnyttet, jf. pkt. 2.6.6, eller

(ii) Warrants erstattes af nye

Demerger

If the Company is demerged, the continuing company(ies) may choose one of the following options:

(i) The Holders may, irrespective of clause 2.3, immediately before the demerger exercise vested warrants which have not yet been exercised, see clause 2.6.6, or

(ii) The Warrants will be replaced by new share instruments in

aktieinstrumenter i det (de) fortsættende selskab(er) af tilsvarende økonomisk værdi for Modtageren efter skat. Ved spaltning kan de fortsættende selskaber selv bestemme, i hvilket selskab Modtageren skal modtage de nye aktieinstrumenter.

the continuing Company(ies) with at similar economic value for the Holder after tax. In case of demerger, the continuing Companies may decide in which company the Holder shall receive the new share instruments.

Salg eller ombytning af aktiemajoriteten

2.6.4 Såfremt mere end halvdelen af aktiekapitalen i Selskabet sælges eller ombyttes, kan det erhvervende selskab vælge én af følgende muligheder:

(i) Warrants fortsætter uændrede,

(ii) Modtageren kan, uanset pkt. 2.3, umiddelbart inden salget eller ombytningen, udnytte sine optjente Warrants, jf. pkt. 2.6.6. Modtageren er i forlængelse heraf forpligtet til at sælge eller ombytte de erhvervede aktier på samme vilkår som for de eksisterende aktionærer, eller

(iii) Warrants erstattes af nye aktieinstrumenter i det erhvervende selskab af tilsvarende økonomisk værdi for Modtageren efter skat.

Trade Sale or Swap of the Share Majority

If more than half of the share capital in the Company is sold or swapped the buying entity may choose one of the following options:

(i) The Warrants may continue without changes,

(ii) The Holder may irrespective of clause 2.3, immediately before the sale or swap be allowed to exercise all vested Warrants, see clause 2.6.6. In continuation hereof, the Holder shall be obliged to sell or swap the shares on the same terms as the existing shareholders, or

(iii) The Warrants may be replaced by new share instruments in the buying entity of a similar economic value for the Holder after tax.

Fusion, salg eller ombytning af aktiemajoriteten på grundlag af en værdiansættelse af Selskabet på mindst DKK 400 millioner

2.6.5 Modtageren kan, uanset pkt. 2.6.2 og 2.6.4, udnytte alle sine Warrants, såvel optjente som ikke-optjente, på de i pkt. 2.6.4 anførte vilkår, såfremt fusionen, salget eller ombytningen af aktiemajoriteten

Merger, Trade Sale or Swap of the Share Majority on the basis of a valuation of the Company of at least DKK 400 million

The Holder may, irrespective of clauses 2.6.2 and 2.6.4, exercise all Warrants, vested as well as unvested on the terms provided for in clause 2.6.4 provided that the merger, trade sale or swap of the share

sker på grundlag af en værdiansættelse af Selskabet forud for transaktionen på mindst DKK 400 millioner (pre-money valuation).

majority is based on a valuation of the Company prior to the transaction of at least DKK 400 million (pre-money valuation).

Meddelelse om udnyttelse af Warrants ved likvidation, fusion, spaltning og salg eller ombytning af aktiemajoriteten

Notification regarding Exercise of Warrants in Case of Liquidation, Merger, Demerger, and Trade Sale or Swap of the Share Majority

2.6.6 Såfremt der, som anført i pkt. 2.6.1-2.6.5, træffes beslutning, giver Selskabet Modtageren skriftlig meddelelse herom. Modtageren har efter afsendelsen af Selskabets meddelelse en frist på to (2) uger til over for Selskabets bestyrelse skriftligt at meddele, hvor mange Warrants der ønskes udnyttet. Ikke-udnyttede Warrants bortfalder herefter uden yderligere varsel og uden kompensation.

If a resolution is passed as mentioned in clauses 2.6.1 — 2.6.5, the Company will notify the Holder hereof in writing. After the date of the posting of the Company's notice, the Holder shall have a time limit of two (2) weeks to notify the Company's board of directors in writing of the number of Warrants to be exercised. Warrants that are not exercised shall lapse without any further notice and without compensation.

2.7 OVERDRAGELSE OG PANTSÆTNING AF WARRANTS

TRANSFER AND PLEDGING OF THE WARRANTS

2.7.1 Warrants er personlige og kan

The Warrants are personal and cannot

hverken sælges, bortgives, pantsættes eller på anden måde overdrages til tredjemand, frivilligt eller ved udlæg.

be sold, given away, pledged or transferred in any other way to a third party, whether voluntarily or by court order.

2.8 VILKÅR FOR AKTIER TEGNET PÅ GRUNDLAG AF WARRANTS

CONDITIONS FOR SHARES SUBSCRIBED FOR PURSUANT TO WARRANTS

2.8.1 Aktierne skal have samme rettigheder som de øvrige aktier i Selskabet, som anført i vedtægterne og i en nuværende eventuel fremtidig ejeraftale, jf. pkt. 2.1.2. Aktierne skal lyde på navn, og medmindre andet følger af senere vedtægtsændringer, skal de nye aktier på samme måde som de eksisterende aktier i Selskabet være ikke-omsætningspapirer.

The shares shall have the same rights as the existing shares in the Company as set out in the articles of association and in the current and/or future shareholders' agreement, see clause 2.1.2. The shares shall be issued in the Holder's name and unless amendments are later made in the articles of association, the shares shall be non-negotiable instruments in the same way as the existing shares in the Company.

2.8.2 Såfremt der gennemføres vedtægtsændringer for de eksisterende aktier, herunder ændringer af forhold som nævnt under pkt. 2.1.2, skal sådanne ændringer også gælde for de nye aktier.

If amendments are made in the articles of association regarding the existing shares, including amendments in respect of the matters referred to in clause 2.1.2, such amendments shall also apply to the new shares.

2.9 SKATTEMÆSSIGE FORHOLD

TAX CONSEQUENCES

2.9.1 Alle skattemæssige konsekvenser for Modtageren som følge af Warrants og den efterfølgende udnyttelse heraf er Selskabet uvedkommende.

Any tax consequences for the Holder caused by the Warrants and the subsequent exercise hereof shall be of no concern of the Company.

2.10 VOLDGIFT

ARBITRATION

2.10.1 Vilkårene for Warrants skal reguleres og fortolkes i overensstemmelse med dansk ret.

The terms for Warrants shall be governed by and construed in accordance with Danish law.

2.10.2 Enhver uoverensstemmelse i anledning af vilkårene for Warrants, deres gennemførelse, opfyldelse, fortolkning og ophør skal, hvis denne ikke kan løses i mindelighed, afgøres med endelig og bindende virkning ved voldgift i overensstemmelse med reglerne for Det Danske Voldgiftsinstitut (Copenhagen Arbitration).

Any dispute arising out of or in connection with the terms for Warrants, its conclusion, performance, construction or termination shall - where such dispute cannot be settled amicably - be decided with final and binding effect by arbitration in accordance with the rules of procedure of the Danish Institute of Arbitration (Copenhagen Arbitration).

2.10.3 Voldgiftsretten skal bestå af 3 voldgiftsdommere. Hvis tvisten omfatter to parter, udpeger hver part en voldgiftsdommer, og voldgiftsinstituttet udpeger formanden for voldgiftsretten. Hvis tvisten omfatter mere end to parter udpeger Voldgiftsinstituttet alle tre voldgiftsdommere, medmindre andet aftales mellem parterne. Voldgiftsrettens sæde skal være i København.

The arbitral tribunal shall consist of three arbitrators. If the dispute includes two parties, each party shall appoint one arbitrator and the institute appoints the chairman of the arbitral tribunal. If a dispute shall include more than two parties, all three arbitrators shall be appointed by the institute, except otherwise agreed by all parties to such dispute. The place of arbitration shall be Copenhagen.

2.11 ØVRIGE BESTEMMELSER

OTHER CONDITIONS

2.11.1 Warrants skal ikke medregnes ved opgørelsen af feriepenge, fratrædelsesgodtgørelse, godtgørelse eller kompensation fastsat ved lov, pension og lignende.

The Warrants shall not be a part of the calculation of holiday pay, severance pay, mandatory compensation, and pension or similar.

2.11.2 I tilfælde af uoverensstemmelser

In case of inconsistency between the

mellem den danske og engelske version af disse vilkår, skal den danske version være gældende og have forrang.

Danish and English version of these terms, the Danish version shall prevail and be given priority.

3 GENERELLE VILKÅR FOR KAPITALFORHØJELSER

GENERAL TERMS FOR CAPITAL INCREASES

3.1 Udover de under punkt 1 anførte vilkår for de til de udstedte Warrants hørende kontante kapitalforhøjelser gælder følgende vilkår:

In addition to the terms provided in clause 1, the increases of the share capital relating to the warrants granted shall be subject to the following terms and conditions:

- De nye aktier udstedes i aktier à DKK 0,10 eller multipla heraf,
- The new shares will be divided into shares of nominally DKK 0.10 or multiples hereof;
- De nye aktier skal give ret til udbytte i selskabet for det løbende regnskabsår, hvori aktierne tegnes, på lige fod med de eksisterende aktier og andre rettigheder i selskabet fra og med datoen for tegningen af aktierne,
- The new shares will carry dividend rights for the financial year in which subscription is made on equal terms with the existing shares as well as other rights in the company as from the day of subscription;
- De nye aktier skal tilhøre samme aktieklasse som selskabets eksisterende aktiekapital,
- The new shares shall belong to the same share class as the company's existing shares;
- Kapitalforhøjelsen sker uden fortegningsret for de hidtidige aktionærer, idet tegningen sker på baggrund af warrants udstedt til selskabets eller dets datterselskabs medarbejdere, konsulenter, direktion og medlemmer af
- The Capital increase shall be made without any pre-emption rights for the existing shareholders, given that subscription is based on warrants issued to employees, consultants, the management and members of the

bestyrelsen,

board of directors of the company or its subsidiary;

- Der skal ikke gælde indskrænkninger i den til de nye aktier knyttede fortegningsret ved fremtidige kapitalforhøjelser,
- The pre-emption rights attached to the new shares shall not be subject to any restrictions in the event of future capital increases;
- Fristen for tegning af de nye aktier beregnes på baggrund af de i punkt 2 indeholdte bestemmelser herom,
- The deadline for subscription of the new shares shall be calculated pursuant to the provisions in clause 2;
- Det fulde beløb til tegning af det antal aktier, som de omfattede medarbejdere mv. ønsker at tegne, skal indbetales senest samtidig med tegningen af de pågældende aktier, og
- The full subscription amount for the number of shares which the included employees etc. wish to subscribe for, shall be paid in full no later than on the day of subscription; and
- De nye aktier skal lyde på navn og være ikke-omsætningspapirer,
- The new shares shall be made out in the name of the holder and shall be non-negotiable instruments.

De anslåede omkostninger, der skal afholdes af selskabet ved hver kapitalforhøjelse, udgør DKK 10.000 + moms.

The estimated costs to be borne by the company in connection with each capital increase are approximately DKK 10.000 + VAT.

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Seneste ændring af vedtægterne, inklusive bilag, blev vedtaget den 29. marts 2017.

Latest amendment of the articles of association, including appendices, was resolved on 29 March 2017.

The English part of this parallel document in Danish and English is an unofficial translation of the original Danish text. In the event of disputes or misunderstandings arising from the interpretation of the translation, the Danish language shall prevail.

BILAG 2
TIL
VEDTÆGTER FOR
FORWARD PHARMA A/S
CVR-NR. 28865880

APPENDIX 2
TO
ARTICLES OF ASSOCIATION OF
FORWARD PHARMA A/S
CBR-NO. 28865880

1 WARRANTS

WARRANTS

1.1 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 24. marts 2015 besluttet at udstede 5.000 warrants til et

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on 24 March 2015 issued 5.000 warrants to a member of the board of directors of the

medlem af selskabets bestyrelse ("Deltageren") uden fortegningsret for selskabets aktionærer.

Hver warrant gav oprindeligt Deltageren ret til at tegne én A-aktie i selskabet med en nominel værdi på DKK 1,00 til kurs 115.800, svarende til DKK 1.158 pr. aktie af DKK 1,00 (jf. dog justeringsklausulen i punkt 2.9).

Som følge af den i oktober 2014 gennemførte børsnotering giver hver warrant pr. dags dato Deltageren ret til at tegne 17,828 aktier i selskabet med en nominel værdi på DKK 0,10 til kurs 64.954, svarende til 64,954 pr. aktie af DKK 0,10 (jf. dog

Company (the "Participant") without pre-emption rights of the existing shareholders.

Each warrant originally entitled the Participant to subscribe for one A share in the company with a nominal value of DKK 1.00 at a price of 115,800, which equals DKK 1,158 per share of DKK 1.00 (cf. however the adjustment mechanism in clause 2.9).

As a consequence of the initial public offering consummated in October 2014, each warrant as per today's date entitles the Participant to subscribe for 17.828 shares in the company with a nominal value of DKK 0.10 at a price of 64,954, which equals DKK 64.954 per share of DKK

justeringsklausulen i punkt 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren.

Betinget af Deltagerens fortsatte tjenesteforhold hos selskabet som medlem af selskabets bestyrelse på det relevante modningstidspunkt, modnes de tildelte warrants med 1/48 på den sidste dag i hver af de første 48 måneder efter 1. august 2014 ("Tildelingstidspunktet").

Såfremt Deltagerens ansættelses- eller andet tjenesteforhold hos selskabet, et datterselskab eller et koncernselskab ophører, finder punkt 2.3.1 og 2.6 anvendelse.

De tildelte warrants udløber uden kompensation den 30. september 2019 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2.

Uanset om andet måtte følge af denne bestemmelse eller punkt 2, modnes 100 % af de ikke-modnede warrants umiddelbart forud for gennemførelsen af en Change in Control (som defineret nedenfor), såfremt selskabet gennemfører en Change in Control før den dato, hvor de tildelte warrants er

0.10 (cf. however the adjustment mechanism in clause 2.9).

The grant of the warrants shall not be subject to payment from the Participant.

Subject to the Participant's continuing engagement with the company as a member of the board of directors of the company on the applicable vesting date, the warrants will become vested with respect to 1/48 on the last day of each of the first 48 calendar months following 1 August 2014 (the "Grant Date").

In the event the Participant's engagement or other service relationship with the company, a subsidiary or an affiliate is terminated, clauses 2.3.1 and 2.6 shall apply.

The warrants will expire for no compensation on 30 September 2019, or earlier as provided in this provision or clause 2.

Notwithstanding anything in this article or in clause 2 to the contrary, if the company consummates a Change in Control (as defined below) prior to the date that the warrants are exercisable in full and the engagement continues through the date of a Change in Control, 100 per cent of the unvested portion of the warrants shall

modnet fuldt ud, og tjenesteforholdet fortsætter frem til datoen for en Change in Control. Uanset om andet måtte følge af punkt 2 forstås ved definitionen af "Change in Control" følgende begivenheder forud for den fjerde årsdag for Tildelingstidspunktet: (i) et salg eller en overdragelse af alle eller tilnærmelsesvis alle aktier i selskabet til en bona fide tredjemand, eller (ii) en fusion af selskabet med et andet selskab, hvor selskabet er den ophørende enhed. Annullation af udestående warrants imod kontant udbetaling af et beløb i henhold til punkt 2.5.2 kan ikke finde sted uden Deltagerens samtykke.

De øvrige regler og vilkår for de tildelte warrants fremgår punkt 2.

I konsekvens af ovenstående har bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

· Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 8.914 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb

vest and become exercisable immediately prior to the consummation of such Change in Control. Notwithstanding anything in clause 2 to the contrary, for purposes of this article, "Change in Control" means, prior to the fourth anniversary of the Grant Date any of the following events: (i) a sale or transfer of all or substantially all shares in the company to a bona fide third party or (ii) a merger of the company with another company where the company is the discontinuing entity. Cancellation of any outstanding warrants in exchange for a cash payment pursuant to clause 2.5.2 cannot take place without the Participant's consent.

The other terms and conditions applicable to the granted warrants are set forth in clause 2.

Based on the above the board of di-rectors has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions set forth in clause 3 and in the following:

· The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 8,914 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and

er DKK 0,10, og

· Kapitalforhøjelsen sker til kurs 64.954, svarende til 64,954 pr. aktie af DKK 0,10 (jf. dog justeringsklausulen i punkt 2.9),

· The capital increase shall be made at a subscription price of 64,954, which equals DKK 64.954 per share of DKK 0.10 (cf. however the adjustment mechanism in clause 2.9).

1.2 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 24. marts 2015 besluttet at udstede 111.425 warrants til en medarbejder i et af selskabets datterselskaber ("Deltageren") uden fortegningsret for selskabets aktionærer.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on 24 March 2015 issued 111,425 warrants to an employee of one of the company's subsidiaries (the "Participant") without pre-emption rights of the existing shareholders.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10. 89.140 aktier kan tegnes til kurs 3.929,91, svarende til DKK 3,92991 pr. aktie af DKK 0,10 og 22.285 aktier kan tegnes til kurs 160.876,50, svarende til DKK 160,8765 pr. aktie af DKK 0,10 (jf. dog justeringsklausulen i punkt 2.9).

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10. 89,140 shares may be subscribed for at a price of 3,929.91, which equals DKK 3.92991 per share of DKK 0.10 and 22,285 shares may be subscribed for at a price of 160,876.50, which equals DKK 160.8765 per share of DKK 0.10 (cf. however the adjustment mechanism in clause 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren.

The grant of the warrants shall not be subject to payment from the Participant.

Den del af de tildelte warrants, som

The portion of the warrants, which allows for the subscription of 89,140

giver ret til tegning af 89.140 aktier til en tegningskurs på 3.929,91, er fuldt modnede på Tildelingstidspunktet (som defineret nedenfor). Betinget af Deltagerens fortsatte ansættelse hos selskabet, et datterselskab eller et koncernselskab på det relevante modningstidspunkt, modnes den del af de tildelte warrants, som giver ret til at tegne 22.285 aktier til kurs 160.876,50 med 1/36 på den sidste dag i hver af de første 36 måneder efter 1. januar 2015 ("Tildelingstidspunktet") (inklusive januar 2015).

shares at an exercise price of 3,929.91, is fully vested at the Grant Date (as defined below). Subject to the Participant's continuing employment with the company, a subsidiary or an affiliate on the applicable vesting date, the portion of the warrants, which allows for the subscription of 22,285 shares at an exercise price of 160,876.50, will become vested with respect to 1/36 on the last day of each of the first 36 calendar months following 1 January 2015 (the "Grant Date") (including January 2015).

Såfremt Deltagerens ansættelses- eller andet tjenesteforhold hos selskabet, et datterselskab eller et koncernselskab ophører, finder punkt 2.3.1 og 2.6 anvendelse, idet bestyrelsen eller en eventuel komite nedsat af bestyrelsen, dog kan beslutte, at den modnede del af de tildelte warrants skal kunne udnyttes på samme vilkår, som hvis Deltagers ansættelses- eller andet tjenesteforhold ikke var ophørt (i så fald skal den modnede del af de tildelte warrants kunne udnyttes indtil en dato fastsat af bestyrelsen eller komiteen, dog senest den 31. december 2021).

In the event the Participant's employment or other service relationship with the company, a subsidiary or an affiliate is terminated, clauses 2.3.1 and 2.6 shall apply, provided however that the board of directors, or a committee set up by the board of directors, if any, shall be entitled to decide that the unvested portion of the warrants shall be exercisable on such terms and condition that would apply had the employment or other service relationship not been terminated (in which case the vested portion of the warrants shall be exercisable until a date determined by the board of directors, or the committee, if any, but in no event later than 31 December 2021).

The Participant may, subject to above, exercise the vested portion of the warrants during the period three to

Deltageren kan med respekt af det ovenfor anførte udnytte den modnede del af de tildelte warrants i perioden tre til seks år fra Tildelingstidspunktet ad en eller flere gange (dog højst tre), indtil Deltageren har tegnet det total antal aktier i selskabet, som den modnede del af de tildelte warrants giver Deltageren ret til at tegne.

six years from the Grant Date in one or more rounds (however not exceeding three rounds) until the Participant has subscribed for the total number of shares in the company that the vested portion of the warrants entitles the Participant to subscribe for.

De tildelte warrants udløber uden kompensation den 31. december 2020 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2.

The warrants will expire for no compensation on 31 December 2020, or earlier as provided in this provision or clause 2 (the 2014 Warrant Terms) to the company's articles of association.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

The other terms and conditions applicable to the granted warrants are set forth in clause 2.

I konsekvens af ovenstående har bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

Based on the above the board of di-rectors has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions set forth in clause 3 and in the following:

· Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 11.142,50 (jf. dog

· The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK

justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og

· Kapitalforhøjelsen sker for

11,142.50 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and

· The capital increase shall in respect of 89,140 shares be made at a subscription price of 3,929.91, corresponding to DKK

89.140 aktier til kurs 3.929,91 svarende til DKK 3,92991 pr. aktie a nominelt DKK 0,10 og for 22.285 aktier til kurs 160.876,50, svarende til DKK 160,8765 pr. aktie a nominelt DKK 0,10 (jf. dog justeringsklausulen i punkt 2.9).

3.92991 per share of nominally DKK 0.10 and in respect of 22,285 shares be made at a subscription price of 160,876.50, corresponding to DKK 160.8765 per share of nominally DKK 0.10 (cf. however the adjustment mechanism in clause 2.9).

1.3 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 24. marts 2015 besluttet at udstede 379.450 warrants til selskabets CFO ("Deltageren") uden fortegningsret for selskabets aktionærer.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on 24 March 2015 issued 379,450 warrants to the CFO of the company (the "Participant") without pre-emption rights of the existing shareholders.

De tildelte warrants er tiltænkte at være Non-Qualified Options og ikke Incentive Stock Options som defineret i § 422 i den amerikanske Internal Revenue Code.

The warrants are intended to be Non-Qualified Options and not Incentive Stock Options within the meaning of Section 422 of the US Internal Revenue Code.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10 for USD 21,00, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10 for USD 21.00, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

The grant of the warrants shall not be

Tildelingen af warrants sker uden betaling fra Deltageren.

subject to payment from the Participant.

Betinget af Deltagerens fortsatte ansættelse hos selskabet, et datterselskab eller et koncernselskab på det relevante modningstidspunkt, modnes de tildelte warrants (a) for så vidt angår 25 % af de tildelte warrants på det tidligste af følgende tidspunkter (i) årsdagen for Tildelingstidspunktet (som defineret nedenfor) og (ii) datoen efter gennemførelsen af selskabets første børsintroduktion ("IPO"), hvor begrænsningerne for salg af aktier i Selskabet bortfalder i henhold til lock-up aftalen mellem Deltageren og emissionsgaranten for selskabets aktier i IPO'en, og (b) for så vidt angår 75 % af de tildelte warrants i tre (3) lige store årlige rater efter 29. juli 2014 ("Tildelingstidspunktet"), således at første rate modnes på den anden årsdag for Tildelingspunktet.

Subject to the Participant's continuing employment with the company, a subsidiary or an affiliate on the applicable vesting date, the warrants will become vested and exercisable (a) with respect to 25% of the warrants on the earlier to occur of (i) the first anniversary of the Grant Date (as defined below) and (ii) following the consummation of an initial public offering of the company (an "IPO") on the first date that the restrictions on sale of securities of the company lapse pursuant to the lock up agreement between the Participant and the underwriters of the company's securities in the IPO, and (b) with respect to 75% of the warrants in three (3) equal annual installments following 29 July 2014 (the "Grant Date"), with the first installment vesting on the second anniversary of the Grant Date.

Såfremt Deltagerens ansættelses- eller andet tjenesteforhold hos selskabet, et datterselskab eller et koncernselskab ophører, finder punkt 2.3.1 og 2.6 anvendelse.

In the event the Participant's employment or other service relationship with the company, a subsidiary or an affiliate is terminated, clauses 2.3.1 and 2.6 shall apply.

De tildelte warrants udløber uden kompensation den 30. juli 2024 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller

The warrants will expire for no compensation on 30 July 2024, or earlier as provided in this article or clause 2.

punkt 2.

Såfremt selskabet gennemfører en Change in Control (som defineret i punkt 2) forud for den dato, hvor de tildelte warrants modnes fuldt ud, og (a) Deltageren som følge af et Ufrivilligt Ophør ophører med at være ansat i selskabet eller et af selskabets datterselskaber i løbet af perioden på seks (6) måneder, der slutter på ikrafttrædelsesdatoen for en sådan Change in Control, eller (b) en Change in Control indtræder i løbet af opsigelsesperioden (som defineret i deltagerens ansættelsesaftale med selskabet), skal warrantvilkårene ændres

In the event that the company consummates a Change in Control (as defined in clause 2) prior to the date that the warrants are vested in full and (a) during the six (6) month period ending on the effective date of such Change in Control the Participant separates from service such that the Participant is no longer employed by the company or any Subsidiary of the company as a result of an Involuntary Event of Termination or (b) a Change in Control occurs during the notice period (as defined in the Participant's Employment Agreement with

således, at de tildelte warrants er modnet fuldt ud (og Deltager er berettiget til at udnytte de tildelte warrants) umiddelbart forud for gennemførelsen af en sådan Change in Control.

the company), the warrant terms are hereby modified such that the warrants shall become exercisable in full (and the Participant is entitled to exercise the Option) as of immediately prior to the consummation of such Change in Control.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

The other terms and conditions applicable to the granted warrants are set forth in clause 2.

I konsekvens af ovenstående har bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

Based on the above the board of di-rectors has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions set forth in clause 3 and in the following:

· Det højeste nominelle beløb, som kapitalen kan forhøjes med på

· The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 37,945

baggrund af udnyttelse af warrants er DKK 37.945 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og

(cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and

· Kapitalforhøjelsen sker for USD 21,00 pr. aktie a nominelt DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

· The capital increase shall be made at a price of USD 21.00 per share of nominally DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

1.4 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 24. marts 2015 besluttet at udstede 80.230 henholdsvis 10.700 warrants til to medarbejdere i et af selskabets datterselskaber ("Deltagerne" og hver for sig "Deltageren") uden fortegningsret for selskabets aktionærer.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on 24 March 2015 issued 80,230 and 10,700 warrants, respectively, to two employees of a subsidiary of the company (the "Participants" and individually the "Participant") without pre-emption rights of the existing shareholders.

De tildelte warrants er tiltænkte at være Non-Qualified Options og ikke Incentive Stock Options som defineret i § 422 i den amerikanske Internal Revenue Code.

The warrants are intended to be Non-Qualified Options and not an Incentive Stock Options within the meaning of Section 422 of the US Internal Revenue Code.

Hver warrant giver Deltagerne ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10 for USD

Each warrant entitles the Participants to subscribe for one share in the company with a nominal value of DKK 0.10 for USD 21.00, the subscription

21,00, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

Tildelingen af warrants sker uden betaling fra Deltagerne.

The grant of the warrants shall not be subject to payment from the Participants.

Betinget af Deltagernes fortsatte ansættelse hos selskabet, et datterselskab eller et koncernselskab på det relevante modningstidspunkt, modnes 25 % af de tildelte warrants på hver af de første fire årsdage efter 18. august 2014 i relation til 80.230 warrants henholdsvis 2. september 2014 i relation til 10.700 warrants ("Tildelingstidspunktet").

Subject to the Participants' continuing employment with the company, a subsidiary or an affiliate on the applicable vesting date, the warrants will become vested and exercisable with respect to 25% of the warrants on each of the first four anniversaries of 18 August 2014 in regard to 80,230 warrants and 2 September 2014 in regard to 10,700 warrants (the "Grant Date").

Såfremt en Deltagers ansættelses- eller andet tjenesteforhold hos selskabet, et datterselskab eller et koncernselskab ophører, finder punkt 2.3.1 og 2.6 anvendelse.

In the event a Participant's employment or other service relationship with the company, a subsidiary or an affiliate is terminated, clauses 2.3.1 and 2.6 shall apply.

De tildelte warrants udløber uden kompensation den 19. august 2024 i relation til 80.230 warrants henholdsvis 3. september 2024 i relation til 10.700 warrants eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2.

The warrants will expire for no compensation on 19 August 2024 in regard to 80,230 warrants and 3 September 2024 in regard to 10,700 warrants, or earlier as provided in this article or clause 2.

The other terms and conditions applicable to the granted warrants are set

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

I konsekvens af ovenstående har bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

· Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 9.093 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og

· Kapitalforhøjelsen sker for USD 21,00 pr. aktie a nominelt DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

1.5 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 23. juni 2015 udstedt i alt 598.551 warrants til tre af selskabets og/eller selskabets datterselskabers konsulenter ("Deltagerne" og hver for sig "Deltageren") uden fortegningsret for

forth in clause 2.

Based on the above the board of di-rectors has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions set forth in clause 3 and in the following:

· The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 9,093 (cf. however the adjustment mechnism in clause 2.9) and the minimum nominal amount is DKK 0.10; and

· The capital increase shall be made at a price of USD 21.00 per share of nominally DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment clause in clause 2.9).

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on 23 June 2015 issued a total of 598,551 warrants to three consultants of the company and/or a subsidiary of the company (the "Participants" and individually the "Participant") without

selskabets aktionærer.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10.

311.980 aktier kan tegnes til kurs 3.929,96, svarende til DKK 3,92996 pr. aktie af DKK 0,10, 166.860 aktier kan tegnes til kurs 8.414,05, svarende til DKK 8,41405 pr. aktie af DKK 0,10, og 119.711 aktier kan tegnes for USD 30,54 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren.

Den del af de tildelte warrants, som giver ret til tegning af 311.980 aktier til en tegningskurs på 3.929,26 henholdsvis 166.860 aktier til en tegningskurs på 8.414,05, er fuldt modnede på Tildelingstidspunktet (som defineret nedenfor). Betinget af Deltagerens fortsatte tjenesteforhold hos selskabet, et datterselskab eller

pre-emption rights of the existing shareholders.

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10.

311,980 shares may be subscribed for at a price of 3,929.96, which equals DKK 3.92996 per share of DKK 0.10, 166,860 shares may be subscribed for at a price of 8,414.05, which equals DKK 8.41405 per share of DKK 0.10, and 119,711 shares may be subscribed for at a price of USD 30.54 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

The grant of the warrants shall not be subject to payment from the Participant.

The portion of the warrants, which allows for the subscription of 311,980 shares at a subscription price of 3,929.26 and 166,860 shares at a subscription price of 8,414.05, respectively, is fully vested at the Grant Date (as defined below). Subject to the Participant's continuing engagement with the company, a subsidiary or an affiliate on the applicable vesting date, the portion of the warrants,

et koncernselskab på det relevante modningstidspunkt, modnes den del af de tildelte warrants, som giver ret til at tegne 119.711 aktier for USD 30,54 pr. aktie af DKK 0,10 med 1/36 på den sidste dag i hver af de første 36 måneder efter 1. april 2015 ("Tildelingstidspunktet") (inklusiv april 2015).

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjenesteforhold af en hvilken som helst grund (Ophør af Tjenesteforhold), og den modnede del af de tildelte warrants kan udnyttes i det omfang, det er muligt i henhold til punkt 2.6, idet bestyrelsen eller et eventuelt udvalg nedsat af bestyrelsen efter dets eget skøn og ved skriftlig meddelelse til Deltageren forud for ophøret af disse warrants kan beslutte, at den modnede del af disse warrants skal kunne udnyttes som om, der ikke var indtrådt et Ophør af Tjenesteforhold (i hvilket tilfælde den modnede del af de tildelte warrants skal kunne udnyttes som anført nedenfor, medmindre andet fremgår af denne bestemmelse eller punkt 2).

which allows for the subscription of 119,711 shares at a price of USD 30.54 per share of DKK 0.10, will become vested with respect to 1/36 of the shares on the last day of each of the first 36 calendar months following the 1 April 2015 (the "Grant Date") (including April 2015).

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's employment or other service relationship for any reason (a Termination of Service), and the vested portion of the warrants shall be exercisable to the extent provided for in article 2.6, provided however that the board of directors, or a committee set up by the board of directors, may prior to the expiration of these warrants, in its sole discretion, by written notice to the Participant decide that the vested portion of the warrants shall remain exercisable as if a Termination of Service had not occurred (in which case the vested portion of the warrants shall be exercisable to the extent set forth below, subject to the terms and conditions set forth in this provision and section 2).

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan Deltageren udnytte den modnede del

The Participant may, subject to the terms and conditions set forth in this provision and section 2, exercise the vested portion of the warrants during the period three to six years from the Grant Date.

af de tildelte warrants i perioden tre til seks år fra Tildelingstidspunktet.

De tildelte warrants udløber den 31. marts 2021 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2. Uanset det foranstående udløber de tildelte warrants straks og annulleres uden kompensation, hvis nogle af de warrants, som selskabet tidligere har udstedt, og som Deltageren er i besiddelse af på Tildelingstidspunktet, udnyttes på et hvilket som helst tidspunkt.

The warrants will expire on 31 March 2021, or earlier as provided for in this provision or section 2. Notwithstanding the foregoing, the warrants will immediately expire and be cancelled for no compensation if any of the warrants previously issued by the company and held by the Participant at the Grant Date are exercised at any time.

Deltageren skal dække ethvert krav og enhver forpligtelse, som relaterer sig til pålignelige skatter. Uden at begrænse omfanget af det foregående er selskabet, dets datterselskaber og koncernselskaber ikke ansvarlige for indeholdelse af indkomstskat, sociale bidrag, arbejdsløsheds- og invalideforsikring eller øvrige skatteforpligtelser, som forfalder hos Deltageren i forbindelse med tildelingen eller udøvelsen af de tildelte warrants, og Deltageren skal skadesløsholde selskabet, dets datterselskaber og koncernselskaber for alle omkostninger, der relaterer sig til en hvilken som helst forpligtelse i relation til sådanne skatter pålagt selskabet, dets datterselskaber eller koncernselskaber i henhold til lov.

The Participant shall satisfy any and all requirements and obligations relating to applicable taxes. Without limiting the generality of the foregoing, the company, its subsidiaries and affiliates shall not be responsible for withholding any income tax, social security, unemployment, disability insurance or other tax obligations that become due from the Participant in connection with the grant or exercise of the warrants, and the Participant shall indemnify the company, its subsidiaries and affiliates against all expenses relating to any obligation imposed by law on the company, its subsidiaries and affiliates in respect of any such taxes.

Notwithstanding the provisions of clause 2.9.1 to the contrary, the first sentence of clause 2.9.1 shall apply to these warrants in the event of a

Uanset om andet måtte fremgå af bestemmelserne i punkt 2.9.1, finder første sætning i punkt 2.9.1 anvendelse for de tildelte warrants i tilfælde af en ændring i selskabets kapitalstruktur ved (a) udstedelse af fondsaktier til alle selskabets aktionærer på pro rata basis i forhold til deres ejerskab eller (b) udbytter. Formålet med dette er at beskytte Deltageren fra enhver udvanding af den økonomiske værdi af hans ejerskab, som måtte ske som resultat af en sådan ændring af selskabets kapitalstruktur. For at undgå tvivl bemærkes, at bestyrelsen eller en af bestyrelsen nedsat komite efter eget skøn kan udføre de tilpasninger, som den finder nødvendige for at beskytte Deltagerens interesser som beskrevet.

change in the company's capital structure by reason of (a) the issuance of bonus shares of the Company (in Danish "fondsaktier") to all of the company's shareholders on a pro rata basis in accordance with their ownership interest or (b) dividends. The purpose hereof is to protect the Participant from any dilution of the financial value of his ownership interest that may occur as a result of such change in the company's capital structure. For the avoidance of doubt, the board of directors or a committee appointed by the board of directors may make those adjustments it determines, in its discretion, are necessary to protect the Participant's interest as described herein.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

The other terms and conditions applicable to the granted warrants are set forth in section 2.

I konsekvens af ovenstående har bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

Based on the above the board of directors has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions set forth in section 3 and in the following:

· Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af

· The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 59,855.10 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is

warrants er DKK 59.855,10 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og

DKK 0.10; and

· Kapitalforhøjelsen sker i relation til 311.980 aktier til kurs 3.929,96, svarende til DKK 3,92996 pr. aktie af DKK 0,10, i relation til 166.860 aktier til kurs 8.414,05, svarende til DKK 8,41405 pr. aktie af DKK 0,10, og i relation til 119.711 aktier

· The capital increase shall with respect to 311,980 shares be made at a subscription price of 3,929.96, which equals DKK 3.92996 per share of DKK 0.10, with respect to 166,860 shares at a subscription price of 8,414.05, which equals DKK 8.41405

for USD 30,54 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

per share of DKK 0,10, and with respect to 119,711 shares at a subscription price of USD 30.54 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

1.6 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 23. juni 2015 udstedt i alt 153,138 warrants til en medarbejder i et af selskabets datterselskaber ("Deltageren") uden fortegningsret for selskabets aktionærer.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on 23 June 2015 issued a total of 153,138 warrants to an employee of one of the company's subsidiaries (the "Participant") without pre-emption rights of the existing shareholders.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10.

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10.

89.140 aktier kan tegnes til kurs 3.930,12, svarende til DKK 3,93012

89,140 shares may be subscribed for at a price of 3,930.12, which equals DKK 3.93012 per share of DKK 0.10,

pr. aktie af DKK 0,10, 33.370 aktier kan tegnes til kurs 8.414,05, svarende til DKK 8,41405 pr. aktie af DKK 0,10, og 30.628 aktier kan tegnes for USD 30,54 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

33,370 shares may be subscribed for at a price of 8,414.05, which equals DKK 8.41405 per share of DKK 0.10, and 30,628 shares may be subscribed for at a price of USD 30.54 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren. Tildelingen af warrants indebærer ikke en rettighed for Deltageren til at modtage yderligere warrants eller andre optioner i fremtiden.

The grant of the warrants shall not be subject to payment from the Participant. The grant of the warrants does not constitute a right of the Participant to receive further warrants or other awards in the future.

Den del af de tildelte warrants, som giver ret til tegning af 89.140 aktier til en tegningskurs på 3.930,12 henholdsvis 33.370 aktier til en tegningskurs på 8.414,05, er fuldt modnede på Tildelingstidspunktet (som defineret nedenfor). Betinget af Deltagerens fortsatte ansættelsesforhold hos selskabet, et datterselskab eller et koncernselskab på det relevante modningstidspunkt, modnes den del af de tildelte warrants, som giver ret til at tegne 30.628 aktier for USD 30,54 pr. aktie af DKK 0,10 med 1/36 på den sidste dag i hver af de første 36 måneder efter 1. april 2015

The portion of the warrants, which allows for the subscription of 89.140 shares at a subscription price of 3.930,12 and 33,370 shares at a subscription price of 8,414.05, respectively, is fully vested at the Grant Date (as defined below). Subject to the Participant's continuing employment with the company, a subsidiary or an affiliate on the applicable vesting date, the portion of the warrants, which allows for the subscription of 30,628 shares at a price of USD 30.54 per share of DKK 0.10, will become vested with respect to 1/36 of the shares on the last day of each of the first 36 calendar months following the 1 April 2015 (the "Grant Date") (including April 2015).

("Tildelingstidspunktet") (inklusiv april 2015).

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjenesteforhold af en hvilken som helst grund (Ophør af Tjenesteforhold), og den modnede del af de tildelte warrants kan udnyttes i det omfang, det er muligt i henhold til punkt 2.6, idet bestyrelsen eller et eventuelt udvalg nedsat af bestyrelsen efter dets eget skøn og ved skriftlig meddelelse til Deltageren forud for ophøret af disse warrants kan beslutte, at den modnede del af disse warrants skal kunne udnyttes som om, der ikke var indtrådt et Ophør af Tjenesteforhold (i hvilket tilfælde den modnede del af de tildelte warrants skal kunne udnyttes som anført nedenfor, medmindre andet fremgår af denne bestemmelse eller punkt 2).

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's employment or other service relationship for any reason (a Termination of Service), and the vested portion of the warrants shall be exercisable to the extent provided for in clause 2.6, provided however that the board of directors, or a committee set up by the board of directors, may prior to the expiration of these warrants, in its sole discretion, by written notice to the Participant decide that the vested portion of the warrants shall remain exercisable as if a Termination of Service had not occurred (in which case the vested portion of the warrants shall be exercisable to the extent set forth below, subject to the terms and conditions set forth in this provision and section 2).

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan Deltageren udnytte den modnede del af de tildelte warrants i perioden tre til seks år fra Tildelingstidspunktet.

The Participant may, subject to the terms and conditions set forth in this provision and section 2, exercise the vested portion of the warrants during the period three to six years from the Grant Date.

De tildelte warrants udløber den 31.

The warrants will expire on 31 March 2021, or earlier as provided for in this provision or section 2. Notwithstanding the foregoing, the warrants will immediately expire and be cancelled for no compensation if any of the warrants

marts 2021 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2. Uanset det foranstående udløber de tildelte warrants straks og annulleres uden kompensation, hvis nogle af de warrants, som selskabet tidligere har udstedt, og som Deltageren er i besiddelse af på Tildelingstidspunktet, udnyttes på et hvilket som helst tidspunkt.

previously issued by the company and held by the Participant at the Grant Date are exercised at any time.

Deltageren er forpligtet til at betale til selskabet, dets datterselskaber og koncernselskaber, og selskabet, dets datterselskaber og koncernselskaber er berettiget til at modregne i enhver kompensation udbetalt til Deltageren i henhold til punkt 2 eller i øvrigt, ethvert beløb, der er pålignet som kildeskat, vedrørende de tildelte warrants eller udnyttelsen af disse, og at foretage enhver anden handling, som et udvalg nedsat af bestyrelsen vurderer nødvendigt for at opfylde alle forpligtelser til at betale sådanne kildeskatter.

The Participant shall be required to pay to the company, its subsidiaries and affiliates, and the company, its subsidiaries and affiliates shall have the right to deduct from any compensation paid to the Participant pursuant to section 2 or otherwise, the amount of any required withholding taxes in respect of the warrants or the exercise thereof and to take all such other action as a committee appointed by the board of directors deems necessary to satisfy all obligations for the payment of such withholding taxes.

Uanset om andet måtte fremgå af bestemmelserne i punkt 2.9.1), finder første sætning i punkt 2.9.1 anvendelse for de tildelte warrants i tilfælde af en ændring i selskabets kapitalstruktur ved (a) udstedelse af fondsaktier til alle selskabets aktionærer på pro rata basis i forhold til deres ejerskab eller (b) udbytter. Formålet med dette er at beskytte

Notwithstanding the provisions of clause 2.9.1 to the contrary, the first sentence of clause 2.9.1 shall apply to these warrants in the event of a change in the company's capital structure by reason of (a) the issuance of bonus shares of the Company (in Danish "fondsaktier") to all of the company's shareholders on a pro rata basis in accordance with their ownership interest or (b) dividends. The purpose hereof is to protect the Participant from any dilution of the financial value of his ownership interest that may occur as a result of such change in the company's capital structure. For

Deltageren fra enhver udvanding af den økonomiske værdi af hans ejerskab, som måtte ske som resultat af en sådan ændring af selskabets kapitalstruktur. For at undgå tvivl bemærkes, at bestyrelsen eller en af bestyrelsen nedsat komite efter eget skøn kan udføre de tilpasninger, som den finder nødvendige for at beskytte Deltagerens interesser som beskrevet.

the avoidance of doubt, the board of directors or a committee appointed by the board of directors may make those adjustments it determines, in its discretion, are necessary to protect the Participant's interest as described herein.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

The other terms and conditions applicable to the granted warrants are set forth in section 2.

I konsekvens af ovenstående har bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

Based on the above the board of directors has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions set forth in clause 3 and in the following:

- Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 15.313,8 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og
- The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 15,313.8 (cf. however the adjustment mechanism in clause 2.9) to the company's articles of association) and the minimum nominal amount is DKK 0.10; and
- Kapitalforhøjelsen sker i relation til 89.140 aktier til kurs 3.930,12, svarende til DKK
- The capital increase shall with respect to 89,140 shares be made at a subscription price of 3,930.12, which equals DKK 3.93012 per share of DKK 0.10, with respect to 33,370 shares at a subscription price of 8,414.05, which equals DKK 8.41405 per share of DKK 0.10, and with respect

3,93012 pr. aktie af DKK 0,10, i relation til 33.370 aktier til kurs 8.414,05, svarende til DKK 8,41405 pr. aktie af DKK 0,10, og i relation til 30.628 aktier for USD 30,54 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

to 30,628 shares at a subscription price of USD 30.54 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

1.7 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 23. juni 2015 udstedt i alt 44.560 warrants til en af selskabets konsulenter ("Deltageren") uden fortegningsret for selskabets aktionærer.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on 23 June 2015 issued a total of 44,560 warrants to one of the company's consultants (the "Participant") without pre-emption rights of the existing shareholders.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10.

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10.

44.560 aktier kan tegnes til kurs 3.930,12, svarende til DKK 3,93012 pr. aktie af DKK 0,10 (jf. dog justeringsklausulen i punkt 2.9).

44,560 shares may be subscribed for at a price of 3,930.12, which equals DKK 3.93012 per share of DKK 0.10, (cf. however the adjustment mechanism in clause 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren.

The grant of the warrants shall not be subject to payment from the Participant.

De tildelte warrants, som giver ret til tegning af 44.560 aktier til en tegningskurs på 3.930,12 er fuldt modnede på Tildelingstidspunktet (som defineret nedenfor).

The warrants, which allows for the subscription of 44,560 shares at a subscription price of 3,930.12 is fully vested at the Grant Date (as defined below).

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan Deltageren udnytte de tildelte warrants i en periode på to år fra 1. april 2015 ("Tildelingstidspunktet") indtil den 31. marts 2017.

The Participant may, subject to the terms and conditions set forth in this provision and section 2, exercise the warrants granted during the period two years from 1 April 2015 (the "Grant Date") until 31 March 2017.

De tildelte warrants udløber den 31. marts 2017 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2. Uanset det foranstående udløber de tildelte warrants straks og bliver annulleret uden kompensation, hvis nogle af de warrants, som selskabet tidligere har udstedt, og som Deltageren er i besiddelse af på Tildelingstidspunktet, udnyttes på et hvilket som helst tidspunkt.

The warrants will expire on 31 March 2017, or earlier as provided for in this provision or section 2. Notwithstanding the foregoing, the warrants will immediately expire and be cancelled for no compensation if any of the warrants previously issued by the company and held by the Participant at the Grant Date are exercised at any time.

Deltageren skal dække ethvert krav og enhver forpligtelse, som relaterer sig til pålignelige skatter. Uden at begrænse omfanget af det foregående er selskabet, dets datterselskaber og koncernselskaber ikke ansvarlige for indeholdelse af indkomstskat, sociale bidrag, arbejdsløsheds- og invalideforsikring eller øvrige skatteforpligtelser, som forfalder hos

The Participant shall satisfy any and all requirements and obligations relating to applicable taxes. Without limiting the generality of the foregoing, the company, its subsidiaries and affiliates shall not be responsible for withholding any income tax, social security, unemployment, disability insurance or other tax obligations that become due from the Participant in connection with the grant or exercise

Deltageren i forbindelse med tildelingen eller udøvelsen af de tildelte warrants, og Deltageren skal skadesløsholde selskabet, dets datterselskaber og koncernselskaber for alle omkostninger, der relaterer sig til en hvilken som helst forpligtelse i relation til sådanne skatter pålagt selskabet, dets datterselskaber eller koncernselskaber i henhold til lov.

of the warrants, and the Participant shall indemnify the company, its subsidiaries and affiliates against all expenses relating to any obligation imposed by law on the company, its subsidiaries and affiliates in respect of any such taxes.

Uanset om andet måtte fremgå af bestemmelserne i punkt 2.9.1, finder første sætning i punkt 2.9.1 anvendelse for de tildelte warrants i tilfælde af en ændring i selskabets kapitalstruktur ved (a) udstedelse af fondsaktier til alle selskabets aktionærer på pro rata basis i forhold til deres ejerskab eller (b) udbytter. Formålet med dette er at beskytte Deltageren fra enhver udvanding af den økonomiske værdi af hans ejerskab, som måtte ske som resultat af en sådan ændring af selskabets kapitalstruktur. For en ordens skyld bemærkes, at bestyrelsen eller en af bestyrelsen nedsat komite efter eget skøn kan udføre de tilpasninger, som den finder nødvendige for at beskytte Deltagerens interesser som beskrevet.

Notwithstanding the provisions of clause 2.9.1 to the contrary, the first sentence of clause 2.9.1 shall apply to these warrants in the event of a change in the company's capital structure by reason of (a) the issuance of bonus shares of the Company (in Danish "fondsaktier") to all of the company's shareholders on a pro rata basis in accordance with their ownership interest or (b) dividends. The purpose hereof is to protect the Participant from any dilution of the financial value of his ownership interest that may occur as a result of such change in the company's capital structure. For the avoidance of doubt, the board of directors or a committee appointed by the board of directors may make those adjustments it determines, in its discretion, are necessary to protect the Participant's interest as described herein.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

The other terms and conditions applicable to the granted warrants are set forth in section 2.

I konsekvens af ovenstående har bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

As a consequence of the resolution to grant warrants, the board of directors has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions laid down in section 3 and in the following:

· Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 4.456 (jf. dog justeringsklausulen i punkt 2.) og det mindste nominelle beløb er DKK 0,10, og

· Kapitalforhøjelsen sker til kurs 3.930,12, svarende til DKK 3,93012 pr. aktie af DKK 0,10 (jf. dog justeringsklausulen i punkt 2.9).

· The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 4,456 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and

· The capital increase shall be made at a subscription price of 3,930.12, which equals DKK 3.93012 per share of DKK 0.10 (cf. however the adjustment mechanism in clause 2.9).

1.8 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 23. juni 2015 udstedt i alt 208.575 warrants til en af selskabets datterselskabers medarbejdere ("Deltageren") uden fortegningsret for selskabets aktionærer.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on 23 June 2015 issued a total of 208,575 warrants to an employee of a subsidiary of the company (the "Participant") without pre-emption rights of the existing shareholders.

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10.

166.860 aktier kan tegnes til kurs 8.414,05, svarende til DKK 8,41405 pr. aktie af DKK 0,10, og 41.715 aktier kan tegnes for USD 30,54 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren. Tildelingen af warrants indebærer ikke en rettighed for Deltageren til at modtage yderligere warrants eller andre optioner i fremtiden.

Den del af de tildelte warrants, som giver ret til tegning af 166.860 aktier til en tegningskurs på 8.414,05 er fuldt modnede på Tildelingstidspunktet (som defineret nedenfor). Betinget af Deltagerens fortsatte ansættelsesforhold hos selskabet, et datterselskab eller et koncernselskab på det relevante modningstidspunkt, modnes den del af de tildelte warrants, som giver ret til at tegne 41.715 aktier for USD 30,54 pr. aktie af DKK 0,10 med 1/36 på den sidste dag i hver af de første 36 måneder efter 1. april 2015 ("Tildelingstidspunktet") (inklusiv april 2015).

166,860 shares may be subscribed for at a price of 8,414.05, which equals DKK 8.41405 per share of DKK 0.10, and 41,715 shares may be subscribed for at a price of USD 30.54 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

The grant of the warrants shall not be subject to payment from the Participant. The grant of the warrants does not constitute a right of the Participant to receive further warrants or other awards in the future.

The portion of the warrants, which allows for the subscription of 166,860 shares at a subscription price of 8,414.05, is fully vested at the Grant Date (as defined below). Subject to the Participant's continuing employment with the company, a subsidiary or an affiliate on the applicable vesting date, the portion of the warrants, which allows for the subscription of 41,715 shares at a price of USD 30.54 per share of DKK 0.10, will become vested with respect to 1/36 of the shares on the last day of each of the first 36 calendar months following the 1 April 2015 (the "Grant Date") (including April 2015).

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjenesteforhold af en hvilken som helst grund (Ophør af Tjenesteforhold), og den modnede del af de tildelte warrants kan udnyttes i det omfang, det er muligt i henhold til punkt 2.6, idet bestyrelsen eller et eventuelt udvalg nedsat af bestyrelsen efter dets eget skøn og ved skriftlig meddelelse til Deltageren forud for ophøret af disse warrants kan beslutte, at den modnede del af disse warrants skal kunne udnyttes som om, der ikke var indtrådt et Ophør af Tjenesteforhold (i hvilket tilfælde den modnede del af de tildelte warrants skal kunne udnyttes som anført nedenfor, medmindre andet fremgår af denne bestemmelse eller punkt 2).

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan Deltageren udnytte den modnede del af de tildelte warrants i perioden tre til seks år fra Tildelingstidspunktet.

De tildelte warrants udløber den 31. marts 2021 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2. Uanset det

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's employment or other service relationship for any reason (a Termination of Service), and the vested portion of the warrants shall be exercisable to the extent provided for in clause 2.6, provided however that the board of directors, or a committee set up by the board of directors, may prior to the expiration of these warrants, in its sole discretion, by written notice to the Participant decide that the vested portion of the warrants shall remain exercisable as if a Termination of Service had not occurred (in which case the vested portion of the warrants shall be exercisable to the extent set forth below, subject to the terms and conditions set forth in this provision and section 2).

The Participant may, subject to the terms and conditions set forth in this provision and section 2, exercise the vested portion of the warrants during the period three to six years from the Grant Date.

The warrants will expire on 31 March 2021, or earlier as provided for in this provision or section 2. Notwithstanding the foregoing, the warrants will immediately expire and be cancelled for no compensation if any of the warrants issued by the company to the Participant pursuant to subscription

foranstående udløber de tildelte warrants straks og bliver annulleret uden kompensation, hvis nogle af de warrants, som selskabet har udstedt til Deltageren i henhold til tegningsliste vedrørende warrants dateret 1. henholdsvis 4. oktober 2013, udnyttes på et hvilket som helst tidspunkt.

list for warrants dated October 1 and 4, 2013, respectively, are exercised at any time.

Deltageren er forpligtet til at betale til selskabet, dets datterselskaber og koncernselskaber, og selskabet, dets datterselskaber og koncernselskaber er berettiget til at modregne i enhver kompensation udbetalt til Deltageren i henhold til punkt 2 eller i øvrigt, ethvert beløb, der er pålignet som kildeskat, vedrørende de tildelte warrants eller udnyttelsen af disse, og at foretage sig enhver anden handling, som et udvalg nedsat af bestyrelsen vurderer nødvendigt for at opfylde alle forpligtelser til at betale sådanne kildeskatter.

The Participant shall be required to pay to the company, its subsidiaries and affiliates, and the company, its subsidiaries and affiliates shall have the right to deduct from any compensation paid to the Participant pursuant to section 2 or otherwise, the amount of any required withholding taxes in respect of the warrants or the exercise thereof and to take all such other action as a committee appointed by the board of directors deems necessary to satisfy all obligations for the payment of such withholding taxes.

Uanset om andet måtte fremgå af bestemmelserne i punkt 2.9.1, finder første sætning i punkt 2.9.1 anvendelse for de tildelte warrants i tilfælde af en ændring i selskabets kapitalstruktur ved (a) udstedelse af fondsaktier til alle selskabets aktionærer på pro rata basis i forhold til deres ejerskab eller (b) udbytter. Formålet med dette er at beskytte Deltageren fra enhver udvanding af den økonomiske værdi af hans

Notwithstanding the provisions of clause 2.9.1 to the contrary, the first sentence of clause 2.9.1 shall apply to these warrants in the event of a change in the company's capital structure by reason of (a) the issuance of bonus shares of the Company (in Danish "fondsaktier") to all of the company's shareholders on a pro rata basis in accordance with their ownership interest or (b) dividends. The purpose hereof is to protect the Participant from any dilution of the financial value of his ownership interest that may occur as a result of such change in the company's capital structure. For the avoidance of doubt, the board of

ejerskab, som måtte ske som resultat af en sådan ændring af selskabets kapitalstruktur. For en ordens skyld bemærkes, at bestyrelsen eller en af bestyrelsen nedsat komite efter eget skøn kan udføre de tilpasninger, som den finder nødvendige for at beskytte Deltagerens interesser som beskrevet.

directors or a committee appointed by the board of directors may make those adjustments it determines, in its discretion, are necessary to protect the Participant's interest as described herein.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

The other terms and conditions applicable to the granted warrants are set forth in section 2.

I konsekvens af ovenstående har bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

As a consequence of the resolution to grant warrants, the board of directors has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions laid down in section 3 and in the following:

- Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 20.857,50 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og
- Kapitalforhøjelsen sker i relation til 166.860 aktier til kurs 8.414,05, svarende til DKK 8,41405 pr. aktie af DKK 0,10, og i relation til 41.715 aktier for USD 30,54 pr. aktie af DKK 0,10,

- The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 20,857.50 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and
- The capital increase shall with respect to 166,860 shares be made at a subscription price of 8,414.05, which equals DKK 8.41405 per share of DKK 0.10, and with respect to 41.715 shares at a subscription price of USD 30.54 per share of DKK 0.10, the subscription price being converted into DKK on the day

idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

1.9 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 23. juni 2015 udstedt i alt 41.715 warrants til en af selskabets bestyrelsesmedlemmer ("Deltageren") uden fortegningsret for selskabets aktionærer.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on 23 June 2015 issued a total of 41,715 warrants to one of the members of the company's board of directors (the "Participant") without pre-emption rights of the existing shareholders.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10.

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10.

41.715 aktier kan tegnes for USD 30,54 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens

41,715 shares may be subscribed for at a price of USD 30.54 per share of DKK 0.10, the subscription price being converted into DKK

anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren.

Betinget af Deltagerens fortsatte ansættelsesforhold eller andet tjenesteforhold hos selskabet, et

on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

The grant of the warrants shall not be subject to payment from the Participant.

Subject to the Participant's continuing employment or other engagement with the company, a subsidiary or an

datterselskab eller et koncernselskab på det relevante modningstidspunkt, modnes de tildelte warrants med 1/36 på den sidste dag i hver af de første 36 måneder efter 1. april 2015 ("Tildelingstidspunktet") (inklusiv april 2015).

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjenesteforhold af en hvilken som helst grund (Ophør af Tjenesteforhold), og den modnede del af de tildelte warrants kan udnyttes i det omfang, det er muligt i henhold til punkt 2.6, idet bestyrelsen eller et eventuelt udvalg nedsat af bestyrelsen efter dets eget skøn og ved skriftlig meddelelse til Deltageren forud for ophøret af disse warrants kan beslutte, at den modnede del af disse warrants skal kunne udnyttes som om, der ikke var indtrådt et Ophør af Tjenesteforhold (i hvilket tilfælde den modnede del af de tildelte warrants skal kunne udnyttes som anført nedenfor, medmindre andet fremgår af denne bestemmelse eller punkt 2).

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan Deltageren udnytte den modnede del af de tildelte warrants i perioden tre

affiliate on the applicable vesting date the warrants will become vested with respect to 1/36 of the shares on the last day of each of the first 36 calendar months following the 1 April 2015 (the "Grant Date") (including April 2015).

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's employment or other service relationship for any reason (a Termination of Service), and the vested portion of the warrants shall be exercisable to the extent provided for in clause 2.6, provided however that the board of directors, or a committee set up by the board of directors, may prior to the expiration of these warrants, in its sole discretion, by written notice to the Participant decide that the vested portion of the warrants shall remain exercisable as if a Termination of Service had not occurred (in which case the vested portion of the warrants shall be exercisable to the extent set forth below, subject to the terms and conditions set forth in this provision and section 2).

The Participant may, subject to the terms and conditions set forth in this provision and section 2, exercise the vested portion of the warrants during the period three to six years from the Grant Date.

til seks år fra Tildelingstidspunktet.

De tildelte warrants udløber den 31. marts 2021 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2. Uanset det foranstående udløber de tildelte warrants straks og annulleres uden kompensation, hvis nogle af de warrants, som selskabet tidligere har udstedt, og som Deltageren er i besiddelse af på Tildelingstidspunktet, udnyttes før den 1. april 2018.

Deltageren skal dække ethvert krav og enhver forpligtelse, som relaterer sig til pålignelige skatter. Uden at begrænse omfanget af det foregående er selskabet, dets datterselskaber og koncernselskaber ikke ansvarlige for indeholdelse af indkomstskat, sociale bidrag, arbejdsløsheds- og invalideforsikring eller øvrige skatteforpligtelser, som forfalder hos Deltageren i forbindelse med tildelingen eller udøvelsen af de tildelte warrants, og Deltageren skal skadesløsholde selskabet, dets datterselskaber og koncernselskaber for alle omkostninger, der relaterer sig til en hvilken som helst forpligtelse i relation til sådanne skatter pålagt selskabet, dets datterselskaber eller koncernselskaber i henhold til lov.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

The warrants will expire on 31 March 2021, or earlier as provided for in this provision or section 2. Notwithstanding the foregoing, the warrants will immediately expire and be cancelled for no compensation if any of the warrants previously issued by the company and held by the Participant at the Grant Date are exercised at any time before April 1, 2018.

The Participant shall satisfy any and all requirements and obligations relating to applicable taxes. Without limiting the generality of the foregoing, the company, its subsidiaries and affiliates shall not be responsible for withholding any income tax, social security, unemployment, disability insurance or other tax obligations that become due from the Participant in connection with the grant or exercise of the warrants, and the Participant shall indemnify the company, its subsidiaries and affiliates against all expenses relating to any obligation imposed by law on the company, its subsidiaries and affiliates in respect of any such taxes.

The other terms and conditions applicable to the granted warrants are set forth in section 2.

As a consequence of the resolution to

I konsekvens af ovenstående har bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

· Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 4.171,50 (jf.

grant warrants, the board of directors has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions laid down in section 3 and in the following:

· The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK

dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og

· Kapitalforhøjelsen sker for USD 30,54 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

4,171.50 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and

· The capital increase shall be paid at a subscription price of USD 30.54 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

1.10 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 23. juni 2015 udstedt i alt 32.500 warrants til to medarbejdere i et af selskabets datterselskaber ("Deltagerne" og hver for sig "Deltageren") uden fortegningsret for selskabets aktionærer.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on 23 June 2015 issued a total of 32,500 warrants to two employees of one of the company's subsidiaries (the "Participants" and individually the "Participant") without pre-emption rights of the existing shareholders.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10.

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10.

32.500 aktier kan tegnes for USD 30,54 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

32,500 shares may be subscribed for at a price of USD 30.54 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren. Tildelingen af warrants indebærer ikke en rettighed for Deltageren til at modtage yderligere warrants eller andre optioner i fremtiden.

The grant of the warrants shall not be subject to payment from the Participant. The grant of the warrants does not constitute a right of the Participant to receive further warrants or other awards in the future.

Betinget af Deltagerens fortsatte ansættelsesforhold hos selskabet, et datterselskab eller et koncernselskab på det relevante modningstidspunkt, modnes de tildelte warrants med 1/36 på den sidste dag i hver af de første 36 måneder efter 1. april 2015 ("Tildelingstidspunktet") (inklusiv april 2015).

Subject to the Participant's continuing employment with the company, a subsidiary or an affiliate on the applicable vesting date, the warrants will become vested with respect to 1/36 of the shares on the last day of each of the first 36 calendar months following the 1 April 2015 (the "Grant Date") (including April 2015).

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjenesteforhold af en hvilken som helst grund (Ophør af

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's employment or other service relationship for any reason (a Termination of Service), and the vested portion of the warrants shall be exercisable to

Tjenesteforhold), og den modnede del af de tildelte warrants kan udnyttes i det omfang, det er muligt i henhold til punkt 2.6, idet bestyrelsen eller et eventuelt udvalg nedsat af bestyrelsen efter dets eget skøn og ved skriftlig meddelelse til Deltageren forud for ophøret af disse warrants kan beslutte, at den modnede del af disse warrants skal kunne udnyttes som om, der ikke var indtrådt et Ophør af Tjenesteforhold (i hvilket tilfælde den modnede del af de tildelte warrants skal kunne udnyttes som anført nedenfor, medmindre andet fremgår af denne bestemmelse eller punkt 2).

the extent provided for in clause 2.6, provided however that the board of directors, or a committee set up by the board of directors, may prior to the expiration of these warrants, in its sole discretion, by written notice to the Participant decide that the vested portion of the warrants shall remain exercisable as if a Termination of Service had not occurred (in which case the vested portion of the warrants shall be exercisable to the extent set forth below, subject to the terms and conditions set forth in this provision and section 2).

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan Deltageren udnytte den modnede del af de tildelte warrants i perioden tre til seks år fra Tildelingstidspunktet.

The Participant may, subject to the terms and conditions set forth in this provision and section 2, exercise the vested portion of the warrants during the period three to six years from the Grant Date.

De tildelte warrants udløber den 31. marts 2021 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2.

The warrants will expire on 31 March 2021, or earlier as provided for in this provision or section 2.

Deltageren er forpligtet til at betale til selskabet, dets datterselskaber og koncernselskaber, og selskabet, dets datterselskaber og koncernselskaber er berettiget til at modregne i enhver kompensation udbetalt til Deltageren i henhold til punkt 2 eller i øvrigt,

The Participant shall be required to pay to the company, its subsidiaries and affiliates, and the company, its subsidiaries and affiliates shall have the right to deduct from any compensation paid to the Participant pursuant to section 2 or otherwise, the amount of any required withholding taxes in respect of the warrants or the exercise thereof and to take all such other

ethvert beløb, der er pålignet som kildeskat, vedrørende de tildelte warrants eller udnyttelsen af disse, og at foretage sig enhver anden handling, som et udvalg nedsat af bestyrelsen vurderer nødvendigt for at opfylde alle forpligtelser til at betale sådanne kildeskatter.

action as a committee appointed by the board of directors deems necessary to satisfy all obligations for the payment of such withholding taxes.

Uanset om andet måtte fremgå af bestemmelserne i punkt 2.9.1, finder første sætning i punkt 2.9.1 anvendelse for de tildelte warrants i tilfælde af en ændring i selskabets kapitalstruktur ved (a) udstedelse af fondsaktier til alle selskabets aktionærer på pro rata basis i forhold til deres ejerskab eller (b) udbytter. Formålet med dette er at beskytte Deltageren fra enhver udvanding af den økonomiske værdi af hans ejerskab, som måtte ske som resultat af en sådan ændring af selskabets kapitalstruktur. For en ordens skyld bemærkes, at bestyrelsen eller en af bestyrelsen nedsat komite efter eget skøn kan udføre de tilpasninger, som den finder nødvendige for at beskytte Deltagerens interesser som beskrevet.

Notwithstanding the provisions of clause 2.9.1 to the contrary, the first sentence of clause 2.9.1 shall apply to these warrants in the event of a change in the company's capital structure by reason of (a) the issuance of bonus shares of the Company (in Danish "fondsaktier") to all of the company's shareholders on a pro rata basis in accordance with their ownership interest or (b) dividends. The purpose hereof is to protect the Participant from any dilution of the financial value of his ownership interest that may occur as a result of such change in the company's capital structure. For the avoidance of doubt, the board of directors or a committee appointed by the board of directors may make those adjustments it determines, in its discretion, are necessary to protect the Participant's interest as described herein.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

The other terms and conditions applicable to the granted warrants are set forth in section 2.

I konsekvens af ovenstående har

As a consequence of the resolution to grant warrants, the board of directors has also passed a resolution regarding the increase of the share capital

bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

relating to the warrants on the terms and conditions laid down in section 3 and in the following:

- Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 3.250 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og
- The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 3,250 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and

- Kapitalforhøjelsen sker for USD 30,54 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).
- The capital increase shall be paid at a subscription price of USD 30.54 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

1.11 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 23. juni 2015 udstedt i alt 528.563 warrants til selskabets CEO og COO ("Deltageren") uden fortegningsret for selskabets aktionærer.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on 23 June 2015 issued a total of 528,563 warrants to the CEO and COO of the company (the Participant") without pre-emption rights of the existing shareholders.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK

nominel værdi af DKK 0,10, og

0.10; and

89.140 aktier kan tegnes til kurs 5.609,15, svarende til DKK 5,60915 pr. aktie af DKK 0,10, 333.710 aktier kan tegnes til kurs 8.414,05, svarende til DKK 8,41405 pr. aktie af DKK 0,10, og 105.713 aktier kan tegnes for USD 30,54 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

89.140 shares may be subscribed for at a price of 5,609.15, which equals DKK 5.60915 per share of DKK 0.10, 333,710 shares may be subscribed for at a price of 8,414.05, which equals DKK 8.41405 per share of DKK 0.10, and 105,713 shares may be subscribed for at a price of USD 30.54 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren.

The grant of the warrants shall not be subject to payment from the Participant.

Den del af de tildelte warrants, som giver ret til tegning af 89.140 aktier til en tegningskurs på 5.609,15 henholdsvis 333.710 aktier til en tegningskurs på 8.414,05, er fuldt modnede på Tildelingstidspunktet (som defineret nedenfor). Betinget af

The portion of the warrants, which allows for the subscription of 89,140 shares at a subscription price of 5,609.15 and 333,710 shares at a subscription price of 8,414.05, respectively, is fully vested at the Grant Date (as defined below). Subject to the Participant's

Deltagerens fortsatte ansættelsesforhold hos selskabet, et datterselskab eller et koncernselskab på det relevante modningstidspunkt, modnes den del af de tildelte warrants, som giver ret til at tegne 105.713 aktier for USD 30,54 pr. aktie af DKK 0,10 med 1/36 på den

continuing employment with the company, a subsidiary or an affiliate on the applicable vesting date, the portion of the warrants, which allows for the subscription of 105,713 shares at a price of USD 30.54 per share of DKK 0.10, will become vested with respect to 1/36 of the shares on the last day of each of the first 36 calendar months following

sidste dag i hver af de første 36 måneder efter 1. april 2015 ("Tildelingstidspunktet") (inklusiv april 2015).

the 1 April 2015 (the "Grant Date") (including April 2015).

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjenesteforhold af en hvilken som helst grund (Ophør af Tjenesteforhold), og den modnede del af de tildelte warrants kan udnyttes i det omfang, det er muligt i henhold til punkt 2.6, idet bestyrelsen eller et eventuelt udvalg nedsat af bestyrelsen efter dets eget skøn og ved skriftlig meddelelse til Deltageren forud for ophøret af disse warrants kan beslutte, at den modnede del af disse warrants skal kunne udnyttes som om, der ikke var indtrådt et Ophør af Tjenesteforhold (i hvilket tilfælde den modnede del af de tildelte warrants skal kunne udnyttes som anført nedenfor, medmindre andet fremgår af denne bestemmelse eller punkt 2).

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's employment or other service relationship for any reason (a Termination of Service), and the vested portion of the warrants shall be exercisable to the extent provided for in clause 2.6, provided however that the board of directors, or a committee set up by the board of directors, may prior to the expiration of these warrants, in its sole discretion, by written notice to the Participant decide that the vested portion of the warrants shall remain exercisable as if a Termination of Service had not occurred (in which case the vested portion of the warrants shall be exercisable to the extent set forth below, subject to the terms and conditions set forth in this provision and section 2).

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan Deltageren udnytte den modnede del af de tildelte warrants i perioden tre til seks år fra Tildelingstidspunktet.

The Participant may, subject to the terms and conditions set forth in this provision and section 2, exercise the vested portion of the warrants during the period three to six years from the Grant Date.

De tildelte warrants udløber den 31.

The warrants will expire on 31 March 2021, or earlier as provided for in this provision or section 2. Notwithstanding the foregoing, the warrants will immediately expire and be cancelled

marts 2021 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2. Uanset det foranstående udløber de tildelte warrants straks og bliver annulleret uden kompensation, hvis nogle af de warrants, som selskabet tidligere har udstedt, og som Deltageren er i besiddelse af på Tildelingstidspunktet, udnyttes på et hvilket som helst tidspunkt.

for no compensation if any of the warrants previously issued by the company and held by the Participant at the Grant Date are exercised at any time.

Deltageren skal dække ethvert krav og enhver forpligtelse, som relaterer sig til pålignelige skatter. Uden at begrænse omfanget af det foregående er selskabet, dets datterselskaber og koncernselskaber ikke ansvarlige for indeholdelse af indkomstskat, sociale bidrag, arbejdsløsheds- og invalideforsikring eller øvrige skatteforpligtelser, som forfalder hos Deltageren i forbindelse med tildelingen eller udøvelsen af de tildelte warrants, og Deltageren skal skadesløsholde selskabet, dets datterselskaber og koncernselskaber for alle omkostninger, der relaterer sig til en hvilken som helst forpligtelse i relation til sådanne skatter pålagt selskabet, dets datterselskaber eller koncernselskaber i henhold til lov.

The Participant shall satisfy any and all requirements and obligations relating to applicable taxes. Without limiting the generality of the foregoing, the company, its subsidiaries and affiliates shall not be responsible for withholding any income tax, social security, unemployment, disability insurance or other tax obligations that become due from the Participant in connection with the grant or exercise of the warrants, and the Participant shall indemnify the company, its subsidiaries and affiliates against all expenses relating to any obligation imposed by law on the company, its subsidiaries and affiliates in respect of any such taxes.

Uanset om andet måtte fremgå af bestemmelserne i punkt 2.9.1, finder første sætning i punkt 2.9.1 anvendelse for de tildelte warrants i tilfælde af en ændring i selskabets

Notwithstanding the provisions of clause 2.9.1 to the contrary, the first sentence of clause 2.9.1 shall apply to these warrants in the event of a change in the company's capital structure by reason of (a) the issuance of bonus shares of the Company (in Danish "fondsaktier") to all of the company's shareholders on a pro rata basis

kapitalstruktur ved (a) udstedelse af fondsaktier til alle selskabets aktionærer på pro rata basis i forhold til deres ejerskab eller (b) udbytter. Formålet med dette er at beskytte Deltageren fra enhver udvanding af den økonomiske værdi af hans ejerskab, som måtte ske som resultat af en sådan ændring af selskabets kapitalstruktur. For en ordens skyld bemærkes, at bestyrelsen eller en af bestyrelsen nedsat

in accordance with their ownership interest or (b) dividends. The purpose hereof is to protect the Participant from any dilution of the financial value of his ownership interest that may occur as a result of such change in the company's capital structure. For the avoidance of doubt, the board of directors or a committee appointed by the board of directors may make those adjustments it determines, in its

komite efter eget skøn kan udføre de tilpasninger, som den finder nødvendige for at beskytte Deltagerens interesser som beskrevet.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

I konsekvens af ovenstående har bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

- Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 52.856,3 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og

discretion, are necessary to protect the Participant's interest as described herein.

The other terms and conditions applicable to the granted warrants are set forth in section 2.

As a consequence of the resolution to grant warrants, the board of directors has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions laid down in section 3 and in the following:

- The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 52,856.3 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and

- The capital increase shall with respect to 89,140 shares be

- Kapitalforhøjelsen sker i relation til 89.140 aktier til kurs 5.609,15, svarende til DKK 5,60915 pr. aktie af DKK 0,10, i relation til 333.710 aktier til kurs 8.414,05, svarende til DKK 8,41405 pr. aktie af DKK 0,10, og i relation til 105.713 aktier for USD 30,54 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

made at a subscription price of 5,609.15, which equals DKK 5.60915 per share of DKK 0.10, with respect to 333,710 shares at a subscription price of 8,414.05, which equals DKK 8.41405 per share of DKK 0.10, and with respect to 105,713 shares at a subscription price of USD 30.54 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

1.12 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 24. november 2015 udstedt i alt 10.000 warrants til en medarbejder i selskabet ("Deltageren") uden fortegningsret for selskabets aktionærer.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on November 24, 2015 issued a total of 10,000 warrants to an employee of the company (the "Participant") without pre-emption rights of the existing shareholders.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10.

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10.

10.000 aktier kan tegnes for USD 30,54 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

10,000 shares may be subscribed for at a price of USD 30.54 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause

2.9).

Tildelingen af warrants sker uden betaling fra Deltageren. Tildelingen af warrants indebærer ikke en rettighed for Deltageren til at modtage yderligere warrants eller andre optioner i fremtiden.

The grant of the warrants shall not be subject to payment from the Participant. The grant of the warrants does not constitute a right of the Participant to receive further warrants or other awards in the future.

Betinget af Deltagerens fortsatte ansættelsesforhold hos selskabet, et datterselskab eller et koncernselskab på det relevante modningstidspunkt, modnes de tildelte warrants med 1/36 på den sidste dag i hver af de første 36 måneder efter 1. april 2015 ("Tildelingstidspunktet") (inklusive april 2015).

Subject to the Participant's continuing employment with the company, a subsidiary or an affiliate on the applicable vesting date, the warrants will become vested with respect to 1/36 of the shares on the last day of each of the first 36 calendar months following the 1 April 2015 (the "Grant Date") (including April 2015).

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjenesteforhold af en hvilken som helst grund (Ophør af Tjenesteforhold), og den modnede del af de tildelte warrants kan udnyttes i det omfang, det er muligt i henhold til punkt 2.6, idet bestyrelsen eller et eventuelt udvalg nedsat af bestyrelsen efter dets eget skøn og ved skriftlig meddelelse til Deltageren forud for ophøret af disse warrants kan beslutte, at den modnede del af disse warrants skal kunne udnyttes som om, der ikke var indtrådt et Ophør af Tjenesteforhold (i hvilket tilfælde den modnede del af de tildelte

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's employment or other service relationship for any reason (a Termination of Service), and the vested portion of the warrants shall be exercisable to the extent provided for in clause 2.6, provided however that the board of directors, or a committee set up by the board of directors, may prior to the expiration of these warrants, in its sole discretion, by written notice to the Participant decide that the vested portion of the warrants shall remain exercisable as if a Termination of Service had not occurred (in which case the vested portion of the warrants shall be exercisable to the extent set

warrants skal kunne udnyttes som anført nedenfor, medmindre andet fremgår af denne bestemmelse eller punkt 2).

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan Deltageren udnytte den modnede del af de tildelte warrants i perioden tre til seks år fra Tildelingstidspunktet.

De tildelte warrants udløber den 31. marts 2021 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2.

Deltageren skal dække ethvert krav og enhver forpligtelse, som relaterer sig til pålignelige skatter. Uden at begrænse omfanget af det foregående er selskabet, dets datterselskaber og koncernselskaber ikke ansvarlige for indeholdelse af indkomstskat, sociale bidrag, arbejdsløsheds- og invalideforsikring eller øvrige skatteforpligtelser, som forfalder hos Deltageren i forbindelse med tildelingen eller udøvelsen af de tildelte warrants, og Deltageren skal skadesløsholde selskabet, dets datterselskaber og koncernselskaber for alle omkostninger, der relaterer sig til en hvilken som helst forpligtelse i relation til sådanne skatter pålagt selskabet, dets datterselskaber eller koncernselskaber i henhold til lov.

forth below, subject to the terms and conditions set forth in this provision and section 2).

The Participant may, subject to the terms and conditions set forth in this provision and section 2, exercise the vested portion of the warrants during the period three to six years from the Grant Date.

The warrants will expire on 31 March 2021, or earlier as provided for in this provision or section 2.

The Participant shall satisfy any and all requirements and obligations relating to applicable taxes. Without limiting the generality of the foregoing, the company, its subsidiaries and affiliates shall not be responsible for withholding any income tax, social security, unemployment, disability insurance or other tax obligations that become due from the Participant in connection with the grant or exercise of the warrants, and the Participant shall indemnify the company, its subsidiaries and affiliates against all expenses relating to any obligation imposed by law on the company, its subsidiaries and affiliates in respect of any such taxes.

Uanset om andet måtte fremgå af bestemmelserne i punkt 2.9.1, finder første sætning i punkt 2.9.1 anvendelse for de tildelte warrants i tilfælde af en ændring i selskabets kapitalstruktur ved (a) udstedelse af fondsaktier til alle selskabets aktionærer på pro rata basis i forhold til deres ejerskab eller (b) udbytter. Formålet med dette er at beskytte Deltageren fra enhver udvanding af den økonomiske værdi af hans ejerskab, som måtte ske som resultat af en sådan ændring af selskabets kapitalstruktur. For en ordens skyld bemærkes, at bestyrelsen eller en af bestyrelsen nedsat komite efter eget skøn kan udføre de tilpasninger, som den finder nødvendige for at beskytte Deltagerens interesser som beskrevet.

Notwithstanding the provisions of clause 2.9.1 to the contrary, the first sentence of clause 2.9.1 shall apply to these warrants in the event of a change in the company's capital structure by reason of (a) the issuance of bonus shares of the Company (in Danish "fondsaktier") to all of the company's shareholders on a pro rata basis in accordance with their ownership interest or (b) dividends. The purpose hereof is to protect the Participant from any dilution of the financial value of his ownership interest that may occur as a result of such change in the company's capital structure. For the avoidance of doubt, the board of directors or a committee appointed by the board of directors may make those adjustments it determines, in its discretion, are necessary to protect the Participant's interest as described herein.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

The other terms and conditions applicable to the granted warrants are set forth in section 2.

I konsekvens af ovenstående har bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

As a consequence of the resolution to grant warrants, the board of directors has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions laid down in section 3 and in the following:

· Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 1.000 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og

· The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 1,000 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and

· Kapitalforhøjelsen sker for USD 30,54 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

· The capital increase shall be paid at a subscription price of USD 30.54 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

1.13 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 24. november 2015, den 30. august 2016 og den 29. marts 2017 udstedt i alt 72.000 warrants til en medarbejder i selskabet ("Deltageren") uden fortegningsret for selskabets aktionærer.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on November 24, 2015, August 30, 2016 and March 29, 2017 issued a total of 72,000 warrants to an employee of the company (the "Participant") without pre-emption rights of the existing shareholders.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10.

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10.

72.000 aktier kan tegnes for USD 32,03 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

72,000 shares may be subscribed for at a price of USD 32.03 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however

the adjustment mechanism in clause 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren. Tildelingen af warrants indebærer ikke en rettighed for Deltageren til at modtage yderligere warrants eller andre optioner i fremtiden.

The grant of the warrants shall not be subject to payment from the Participant. The grant of the warrants does not constitute a right of the Participant to receive further warrants or other awards in the future.

Alle de tildelte warrants er fuldt modnede på Tildelingstidspunktet.

All of the granted warrants are fully vested at the Grant Date.

I tilfælde af Deltagerens fratræden fra selskabet, et datterselskab eller et koncernselskab (hvorefter Deltageren ikke længere er ansat i Selskabet eller noget datterselskab eller koncernselskab) på grund af egen eller selskabets, et datterselskabs eller et koncernselskabs opsigelse af Modtagerens ansættelsesforhold vil Modtagerens retsstilling være som beskrevet i Aktieoptionslovens §§ 4 og 5, idet bestyrelsen i tilfælde af Deltagerens opsigelse forud for udløb af Udnyttelsesperioden (som defineret nedenfor) efter dets eget skøn dog kan beslutte, at warrants skal kunne udnyttes som om, Deltageren ikke havde opsagt sin stilling (i hvilket tilfælde de modnede warrants skal kunne udnyttes som anført nedenfor, medmindre andet fremgår af denne bestemmelse eller punkt 2.

In the event the Participant resigns from his position with the company, a subsidiary or an affiliate (and the Participant is thereafter no longer employed with the company or any subsidiary or affiliate) due to the Participant's own termination or due to the company's, a subsidiary's or an affiliate's termination of the Participant's employment, the Participant's position will be as laid down in sections 4 and 5 of the Danish Stock Option Act, provided however that the board of directors in case of the Participant's resignation prior to the expiration of the warrants may in its sole discretion decide that the warrants shall remain exercisable as if the Participant had not resigned (in which case the vested warrants shall be exercisable as set forth below, subject to the terms and conditions set forth in this provision and section 2).

Dette indebærer blandt andet

This *inter alia* implies the following:

følgende:

- Såfremt Deltageren fratræder sin stilling i selskabet, et datterselskab eller et koncernselskab på grund af Deltagerens egen opsigelse, bortfalder Deltagerens ret til at udnytte sine tildelte warrants. Warrants, hvor Udnyttelsesperioden er indtrådt inden Deltagerens fratræden, kan dog udnyttes indtil fratrædelsestidspunktet på de i denne bestemmelse og punkt 2 anførte betingelser og vilkår.

- In the event that the Participant resigns from his position in the company, a subsidiary or an affiliate due to his own termination of employment, the Participant's right to exercise warrants granted will lapse. Warrants, where the Exercise Period has commenced prior to the termination of the Participant's employment, may, however, be exercised in the period until termination of the Participant's employment on the terms and conditions provided for in this provision and section 2.

- Såfremt Deltageren fratræder sin stilling i selskabet, et datterselskab eller et koncernselskab på grund af selskabets, et datterselskabs eller et koncernselskabs opsigelse, der ikke skyldes Deltagerens misligholdelse, bevarer Deltageren ret til samtlige tildelte warrants, uanset om Udnyttelsesperioden er indtrådt inden Deltagerens fratræden. Det samme gælder de tilfælde, der er angivet i aktieoptionslovens § 4, stk. 2 (fratræden på grund af alder/pensionering) og § 4, stk. 3 (fratræden på grund af selskabets, et datterselskabs eller et koncernselskabs grove

- In the event that the Participant resigns from his position in the company due to the company's, a subsidiary's or an affiliate's termination of the employment, which is not due to breach on the part of the Participant, the Participant will remain entitled to all warrants that have been granted, irrespective of whether the exercise period has commenced prior to the termination of his employment. The same applies in those instances mentioned in the Stock Option Act, section 4(2) (resignation due to age/retirement) and section 4(3) (resignation due to material breach on the part of the company,

misligholdelse).

a subsidiary or an affiliate).

- Såfremt Deltageren fratræder sin stilling på grund af selskabets, et datterselskabs eller et koncernselskabs opsigelse, der skyldes misligholdelse fra Deltagerens side, eller såfremt Deltageren bliver bortvist berettiget, bortfalder Deltagerens ret til alle tildelte warrants på fratrædelsestidspunktet. Warrants, hvor udnyttelsesperioden er indtrådt inden Deltagerens fratræden, kan udnyttes indtil fratrædelsestidspunktet på de i denne bestemmelse og punkt 2 anførte betingelser og vilkår.

- In the event that the Participant resigns from his position in the company due to the company's, a subsidiary's or an affiliate's termination of employment, which is due to breach on the part of the Participant, or the Participant is justly dismissed by the company, the Participant's right to all warrants granted will lapse upon termination of the employment. Warrants, where the Exercise Period has commenced prior to the termination of the Participant's employment, may however be exercised in the

period until the termination of his employment on the terms and conditions provided for in this provision or section 2.

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan Deltageren udnytte de tildelte warrants i perioden fra og med den 1. juni 2019 til og med 31. maj 2021 ("Udnyttelsesperioden").

The Participant may, subject to the terms and conditions set forth in this provision and section 2, exercise the warrants during the period from and including 1 June 2019 through 31 May 2021 ("Exercise Period").

De tildelte warrants udløber den 31. maj 2021 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2.

The warrants will expire on 31 May 2021, or earlier as provided for in this provision or section 2.

Deltageren skal dække ethvert krav og enhver forpligtelse, som relaterer sig til pålignelige skatter. Uden at

The Participant shall satisfy any and all requirements and obligations relating to applicable taxes. Without limiting

begrænse omfanget af det foregående er selskabet, dets datterselskaber og koncernselskaber ikke ansvarlige for indeholdelse af indkomstskat, sociale bidrag, arbejdsløsheds- og invalideforsikring eller øvrige skatteforpligtelser, som forfalder hos Deltageren i forbindelse med tildelingen eller udøvelsen af de tildelte warrants, og Deltageren skal skadesløsholde selskabet, dets datterselskaber og koncernselskaber for alle omkostninger, der relaterer sig til en hvilken som helst forpligtelse i relation til sådanne skatter pålagt selskabet, dets datterselskaber eller koncernselskaber i henhold til lov.

the generality of the foregoing, the company, its subsidiaries and affiliates shall not be responsible for withholding any income tax, social security, unemployment, disability insurance or other tax obligations that become due from the Participant in connection with the grant or exercise of the warrants, and the Participant shall indemnify the company, its subsidiaries and affiliates against all expenses relating to any obligation imposed by law on the company, its subsidiaries and affiliates in respect of any such taxes.

Uanset om andet måtte fremgå af bestemmelserne i punkt 2.9.1, finder første sætning i punkt 2.9.1 anvendelse for de tildelte warrants i tilfælde af en ændring i selskabets kapitalstruktur ved (a) udstedelse af fondsaktier til alle selskabets aktionærer på pro rata basis i forhold til deres ejerskab eller (b) udbytter. Formålet med dette er at beskytte Deltageren fra enhver udvanding af den økonomiske værdi af hans ejerskab, som måtte ske som resultat af en sådan ændring af selskabets kapitalstruktur. For en ordens skyld bemærkes, at bestyrelsen eller en af bestyrelsen nedsat komite efter eget skøn kan udføre de tilpasninger, som den finder nødvendige for at beskytte Deltagerens interesser som beskrevet.

Notwithstanding the provisions of clause 2.9.1 to the contrary, the first sentence of clause 2.9.1 shall apply to these warrants in the event of a change in the company's capital structure by reason of (a) the issuance of bonus shares of the Company (in Danish "fondsaktier") to all of the company's shareholders on a pro rata basis in accordance with their ownership interest or (b) dividends. The purpose hereof is to protect the Participant from any dilution of the financial value of his ownership interest that may occur as a result of such change in the company's capital structure. For the avoidance of doubt, the board of directors or a committee appointed by the board of directors may make those adjustments it determines, in

its discretion, are necessary to protect the Participant's interest as described herein.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2, bortset fra punkt 2.6 som ikke finder anvendelse.

The other terms and conditions applicable to the granted warrants are set forth in section 2, save for section 2.6 which shall not apply.

I konsekvens af ovenstående har bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

As a consequence of the resolution to grant warrants, the board of directors has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions laid down in section 3 and in the following:

- Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 7.200 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og
- The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 7,200 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and

- Kapitalforhøjelsen sker for USD 32,03 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).
- The capital increase shall be paid at a subscription price of USD 32.03 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

1.14 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles

3.2 og 3.3 den 24. november 2015 udstedt i alt 89,140 warrants til et

of association, the board of directors has on 24 November, 2015

medlem af selskabets bestyrelse ("Deltageren") uden fortegningsret for selskabets aktionærer.

issued a total of 89,140 warrants to a member of the board of directors of the company (the "Participant") without pre-emption rights of the existing shareholders.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10.

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10.

89.140 aktier kan tegnes for USD 36,85 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

89,140 shares may be subscribed for at a price of USD 36.85 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren.

The grant of the warrants shall not be subject to payment from the Participant.

Betinget af Deltagerens fortsatte ansættelsesforhold eller andet tjenesteforhold hos selskabet, et datterselskab eller et koncernselskab på det relevante modningstidspunkt, modnes de tildelte warrants med 1/36 på den sidste dag i hver af de første 36 måneder efter 1. juli 2015 ("Tildelingstidspunktet") (inklusive juli 2015).

Subject to the Participant's continuing employment or other engagement with the company, a subsidiary or an affiliate on the applicable vesting date the warrants will become vested with respect to 1/36 of the shares on the last day of each of the first 36 calendar months following 1 July 2015 (the "Grant Date") (including July 2015).

Den del af de tildelte warrants, som

The unvested portion of the warrants will be cancelled for no compensation

ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjenesteforhold af en hvilken som helst grund (Ophør af Tjenesteforhold), og den modnede del af de tildelte warrants kan udnyttes i det omfang, det er muligt i henhold til punkt 2.6, idet bestyrelsen eller et eventuelt udvalg nedsat af bestyrelsen efter dets eget skøn og ved skriftlig meddelelse til Deltageren forud for ophøret af disse warrants kan beslutte, at den modnede del af disse warrants skal kunne udnyttes som om, der ikke var indtrådt et Ophør af Tjenesteforhold (i hvilket tilfælde den modnede del af de tildelte warrants skal kunne udnyttes som anført nedenfor, medmindre andet fremgår af denne bestemmelse eller punkt 2).

upon termination of the Participant's employment or other service relationship for any reason (a Termination of Service), and the vested portion of the warrants shall be exercisable to the extent provided for in clause 2.6, provided however that the board of directors, or a committee set up by the board of directors, may prior to the expiration of these warrants, in its sole discretion, by written notice to the Participant decide that the vested portion of the warrants shall remain exercisable as if a Termination of Service had not occurred (in which case the vested portion of the warrants shall be exercisable to the extent set forth below, subject to the terms and conditions set forth in this provision and section 2).

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan Deltageren udnytte den modnede del af de tildelte warrants i perioden tre til seks år fra Tildelingstidspunktet.

The Participant may, subject to the terms and conditions set forth in this provision and section 2, exercise the vested portion of the warrants during the period three to six years from the Grant Date.

De tildelte warrants udløber den 30. juni 2021 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2.

The warrants will expire on June 30, 2021, or earlier as provided for in this provision or section 2.

Deltageren skal dække ethvert krav og enhver forpligtelse, som relaterer

The Participant shall satisfy any and all requirements and obligations relating

sig til pålignelige skatter. Uden at begrænse omfanget af det foregående er selskabet, dets datterselskaber og koncernselskaber ikke ansvarlige for indeholdelse af indkomstskat, sociale bidrag, arbejdsløsheds- og invalideforsikring eller øvrige skatteforpligtelser, som forfalder hos Deltageren i forbindelse med tildelingen eller udøvelsen af de tildelte warrants, og Deltageren skal skadesløsholde selskabet, dets datterselskaber og koncernselskaber for alle omkostninger, der relaterer sig til en hvilken som helst forpligtelse i relation til sådanne skatter pålagt selskabet, dets datterselskaber eller koncernselskaber i henhold til lov.

to applicable taxes. Without limiting the generality of the foregoing, the company, its subsidiaries and affiliates shall not be responsible for withholding any income tax, social security, unemployment, disability insurance or other tax obligations that become due from the Participant in connection with the grant or exercise of the warrants, and the Participant shall indemnify the company, its subsidiaries and affiliates against all expenses relating to any obligation imposed by law on the company, its subsidiaries and affiliates in respect of any such taxes.

Uanset om andet måtte fremgå af bestemmelserne i punkt 2.9.1, finder første sætning i punkt 2.9.1 anvendelse for de tildelte warrants i tilfælde af en ændring i selskabets kapitalstruktur ved (a) udstedelse af fondsaktier til alle selskabets aktionærer på pro rata basis i forhold til deres ejerskab eller (b) udbytter. Formålet med dette er at beskytte Deltageren fra enhver udvanding af den økonomiske værdi af hans ejerskab, som måtte ske som resultat af en sådan ændring af selskabets kapitalstruktur. For en ordens skyld bemærkes, at

Notwithstanding the provisions of clause 2.9.1 to the contrary, the first sentence of clause 2.9.1 shall apply to these warrants in the event of a change in the company's capital structure by reason of (a) the issuance of bonus shares of the Company (in Danish "fondsaktier") to all of the company's shareholders on a pro rata basis in accordance with their ownership interest or (b) dividends. The purpose hereof is to protect the Participant from any dilution of the financial value of his ownership interest that may occur as a result of such change in the company's capital structure. For the

bestyrelsen eller en af bestyrelsen nedsat komite efter eget skøn kan udføre de tilpasninger, som den finder nødvendige for at beskytte

avoidance of doubt, the board of directors or a committee appointed by the board of directors may make

Deltagerens interesser som beskrevet.

those adjustments it determines, in its discretion, are necessary to protect the Participant's interest as described herein.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

The other terms and conditions applicable to the granted warrants are set forth in section 2.

I konsekvens af ovenstående har bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

As a consequence of the resolution to grant warrants, the board of directors has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions laid down in section 3 and in the following:

- Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 8.914 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og
- Kapitalforhøjelsen sker for USD 36,85 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

- The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 8,914 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and
- The capital increase shall be paid at a subscription price of USD 36.85 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

1.15 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles

3.2 og 3.3 den 24. november 2015 udstedt i alt 499.580 warrants til to af selskabets og/eller selskabets datterselskabers konsulenter ("Deltagerne" og hver for sig "Deltageren") uden fortegningsret for selskabets aktionærer.

of association, the board of directors has on November 24, 2015 issued a total of 499,580 warrants to two consultants of the company and/or a subsidiary of the company (the "Participants" and individually the "Participant") without pre-emption rights of the existing shareholders.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10.

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10.

249.790 aktier kan tegnes til USD 28,26 pr. aktie af DKK 0,10 ("Base Option Aktierne") og 249.790 aktier kan tegnes til USD 141,30 pr. aktie af DKK 0,10 ("Mega Option Aktierne"), idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

249,790 shares may be subscribed for at a price of USD 28.26 per share of DKK 0.10 ("Base Option Shares") and 249,790 shares may be subscribed for at a price of USD 141.30 per share of DKK 0.10 ("Mega Option Shares"), the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren.

The grant of the warrants shall not be subject to payment from the Participant.

Betinget af Deltagerens fortsatte tjenesteforhold hos selskabet, et datterselskab eller et koncernselskab på det relevante modningstidspunkt, modnesde tildelte warrants til Base Option Aktier og Mega Option Aktier i fem (5) lige store årlige trancher, der

Subject to the Participant's continuing engagement with the company, a subsidiary or an affiliate on the applicable vesting date, the warrants to each of the Base Option Shares and Mega Option Shares will vest in five (5) equal annual instalments, each consisting of 49,958 warrants to Base

hver især består af 49.958 warrants til Base Option Aktier og 49.958 warrants til Mega Option Aktier, første tranche heraf modnes 2. april 2016.

Option Shares and 49,958 warrants to Mega Option Shares, first tranche hereof will be vested on 2 April 2016.

Bestyrelsen eller en af bestyrelsen eventuelt nedsat komite kan dog uanset ovenstående efter eget valg og uden nogen form for kompensation til Deltageren på ethvert tidspunkt ved skriftlig meddelelse til Deltageren fremrykke, suspendere, udskyde og/eller bringe modningen af warrants til ophør.

The board of directors or any committee set up by the board of directors may however irrespective of the above at its sole discretion and without any compensation to the Participant at any time by written notice to the Participant accelerate, suspend, postpone and/or terminate any further vesting of the warrants.

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjenesteforhold af en hvilken som helst grund eller ved bestyrelsens beslutning om at bringe modningen af warrants til ophør (Ophør af Tjenesteforhold), og den modnede del af de tildelte warrants kan udnyttes i det omfang, det er muligt i henhold til punkt 2.6, idet bestyrelsen eller et eventuelt udvalg nedsat af bestyrelsen efter dets eget skøn og ved skriftlig meddelelse til Deltageren forud for ophøret af disse warrants kan beslutte, at den modnede del af disse warrants skal kunne udnyttes som om, der ikke var indtrådt et Ophør af Tjenesteforhold (i hvilket tilfælde den modnede del af de tildelte warrants skal kunne udnyttes som anført nedenfor, medmindre andet

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's employment or other service relationship for any reason or by termination of vesting by the board of directors (a Termination of Service), and the vested portion of the warrants shall be exercisable to the extent provided for in article 2.6, provided however that the board of directors, or a committee set up by the board of directors, may prior to the expiration of these warrants, in its sole discretion, by written notice to the Participant decide that the vested portion of the warrants shall remain exercisable as if a Termination of Service had not occurred (in which case the vested portion of the warrants shall be exercisable to the extent set forth below, subject to the terms and conditions set forth in this provision and section 2).

fremgår af denne bestemmelse eller punkt 2).

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan Deltageren udnytte den modnede del af de tildelte warrants i perioden 2. april 2020 til 15. maj 2020.

The Participant may, subject to the terms and conditions set forth in this provision and section 2, exercise the vested portion of the warrants during the period from April 2, 2020 until May 15, 2020.

De tildelte warrants udløber den 15. maj 2020 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2.

The warrants will expire on May 15, 2020, or earlier as provided for in this provision or section 2.

Deltageren skal dække ethvert krav og enhver forpligtelse, som relaterer sig til pålignelige skatter. Uden at begrænse omfanget af det foregående er selskabet ikke ansvarlig for indeholdelse af indkomstskat, sociale bidrag, arbejdsløsheds- og invalideforsikring eller øvrige skatteforpligtelser, som forfalder hos Deltageren i forbindelse med tildelingen eller udøvelsen af de tildelte warrants, og Deltageren skal skadesløsholde selskabet for alle omkostninger, der relaterer sig til en hvilken som helst forpligtelse i relation til sådanne skatter pålagt selskabet i henhold til lov.

The Participant shall satisfy any and all requirements and obligations relating to applicable taxes. Without limiting the generality of the foregoing, the company shall not be responsible for withholding any income tax, social security, unemployment, disability insurance or other tax obligations that become due from the Participant in connection with the grant or exercise of the warrants, and the Participant shall indemnify the company against all expenses relating to any obligation imposed by law on the company in respect of any such taxes.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

The other terms and conditions applicable to the granted warrants are set forth in section 2.

I konsekvens af ovenstående har

Based on the above the board of directors has also passed a resolution regarding the increase of the share capital relating to the warrants on the

bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

terms and conditions set forth in section 3 and in the following:

- Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 49.958 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og
- The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 49.958 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and
- Kapitalforhøjelsen sker i relation til Base Option Aktierne til en pris på USD 28,26 pr. aktie á DKK 0,10 og i relation til Mega Option Aktierne til en pris på USD 141,30 pr. aktie á DKK 0,10, idet tegningsprisen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen med henblik på fastlæggelse af tegningskursen i DKK (jf. dog justeringsklausulen i punkt 2.9).
- The capital increase shall with respect to the Base Option Shares be made at a price of USD 28.26 per share of DKK 0.10 and with respect to the Mega Option Shares at a price of USD 141.30 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority for purposes of determination of the subscription rate (cf. however the adjustment mechanism in clause 2.9).

1.16 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 1. juni 2016 udstedt i alt 89.140 warrants til et medlem af selskabets bestyrelse ("Deltageren") uden fortegningsret for selskabets aktionærer.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on June 1, 2016 issued a total of 89,140 warrants to a member of the board of directors of the company (the "Participant") without pre-emption rights of the existing shareholders.

De tildelte warrants er tiltænkte at være Non-Qualified Options og ikke Incentive Stock Options som defineret i § 422 i den amerikanske Internal Revenue Code.

The warrants are intended to be Non-Qualified Options and not an Incentive Stock Options within the meaning of Section 422 of the US Internal Revenue Code.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10 for USD 17,99, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10 at a price of USD 17.99, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren.

The grant of the warrants shall not be subject to payment from the Participant.

Betinget af Deltagerens fortsatte ansættelsesforhold eller andet tjenesteforhold hos selskabet, et datterselskab eller et koncernselskab på det relevante modningstidspunkt, modnes de tildelte warrants med 1/36 på den sidste dag i hver af de første 36 måneder efter 1. maj 2016 ("Tildelingstidspunktet") (inklusive maj 2016).

Subject to the Participant's continuing or other engagement with the company, a subsidiary or an affiliate on the applicable vesting date, the warrants will become vested with respect to 1/36 of the shares on the last day of each of the first 36 calendar months following the 1 May 2016 (the "Grant Date") (including May 2016).

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjenesteforhold af en hvilken som helst grund (Ophør af

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's employment or other service relationship for any reason (a Termination of Service), and the vested portion of the warrants shall be exercisable to

Tjenesteforhold), og den modnede del af de tildelte warrants kan udnyttes i det omfang, det er muligt i henhold til punkt 2.6, idet bestyrelsen eller et eventuelt udvalg nedsat af bestyrelsen efter dets eget skøn og ved skriftlig meddelelse til Deltageren forud for ophøret af disse warrants kan beslutte, at den modnede del af disse warrants skal kunne udnyttes som om, der ikke var indtrådt et Ophør af Tjenesteforhold (i hvilket tilfælde den modnede del af de tildelte warrants skal kunne udnyttes som anført nedenfor, medmindre andet fremgår af denne bestemmelse eller punkt 2).

the extent provided for in clause 2.6, provided however that the board of directors, or a committee set up by the board of directors, may prior to the expiration of these warrants, in its sole discretion, by written notice to the Participant decide that the vested portion of the warrants shall remain exercisable as if a Termination of Service had not occurred (in which case the vested portion of the warrants shall be exercisable to the extent set forth below, subject to the terms and conditions set forth in this provision and section 2, shall be exercisable as stated below).

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan Deltageren udnytte den modnede del af de tildelte warrants i perioden tre til seks år fra Tildelingstidspunktet (1. maj 2019 til 30. april 2022).

The Participant may, subject to the terms and conditions set forth in this provision and section 2, exercise the vested portion of the warrants during the period three to six years from the Grant Date (1 May 2019 to 30 April 2022).

De tildelte warrants udløber den 30. april 2022 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2.

The warrants will expire on April 30, 2022, or earlier as provided for in this provision or section 2.

Deltageren skal dække ethvert krav og enhver forpligtelse, som relaterer sig til pålignelige skatter. Uden at begrænse omfanget af det foregående er selskabet, dets datterselskaber og koncernselskaber ikke ansvarlige for

The Participant shall satisfy any and all requirements and obligations relating to applicable taxes. Without limiting the generality of the foregoing, the company, its subsidiaries and affiliates shall not be responsible for withholding any income tax, social security, unemployment, disability

indeholdelse af indkomstskat, sociale bidrag, arbejdsløsheds- og invalideforsikring eller øvrige skatteforpligtelser, som forfalder hos Deltageren i forbindelse med tildelingen eller udøvelsen af de tildelte warrants, og Deltageren skal skadesløsholde selskabet, dets datterselskaber og koncernselskaber for alle omkostninger, der relaterer sig til en hvilken som helst forpligtelse i relation til sådanne skatter pålagt selskabet, dets datterselskaber eller koncernselskaber i henhold til lov.

insurance or other tax obligations that become due from the Participant in connection with the grant or exercise of the warrants, and the Participant shall indemnify the company, its subsidiaries and affiliates against all expenses relating to any obligation imposed by law on the company, its subsidiaries and affiliates in respect of any such taxes.

Uanset om andet måtte fremgå af bestemmelserne i punkt 2.9.1, finder første sætning i punkt 2.9.1 anvendelse for de tildelte warrants i tilfælde af en ændring i selskabets kapitalstruktur ved (a) udstedelse af fondsaktier til alle selskabets aktionærer på pro rata basis i forhold til deres ejerskab eller (b) udbytter. Formålet med dette er at beskytte Deltageren fra enhver udvanding af den økonomiske værdi af Deltagerens ejerskab, som måtte ske som resultat af en sådan ændring af selskabets kapitalstruktur. For en ordens skyld bemærkes, at bestyrelsen eller en af bestyrelsen nedsat komite efter eget skøn kan udføre de tilpasninger, som den finder nødvendige for at beskytte Deltagerens interesser som beskrevet.

Notwithstanding the provisions of clause 2.9.1 to the contrary, the first sentence of clause 2.9.1 shall apply to these warrants in the event of a change in the company's capital structure by reason of (a) the issuance of bonus shares of the Company (in Danish "fondsaktier") to all of the company's shareholders on a pro rata basis in accordance with their ownership interest or (b) dividends. The purpose hereof is to protect the Participant from any dilution of the financial value of the Participant's ownership interest that may occur as a result of such change in the company's capital structure. For the avoidance of doubt, the board of directors or a committee appointed by the board of directors may make those adjustments it

determines, in its discretion, are necessary to protect the Participant's interest as described herein.

The other terms and conditions applicable

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

I konsekvens af ovenstående har bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

- Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 8.914 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og
- Kapitalforhøjelsen sker for USD 17,99 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

1.17 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 1. juni 2016 udstedt i alt 89.140 warrants til et medlem af selskabets bestyrelse ("Deltageren") uden fortegningsret for selskabets

to the granted warrants are set forth in section 2.

As a consequence of the resolution to grant warrants, the board of directors has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions laid down in section 3 and in the following:

- The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 8,914 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and
- The capital increase shall be paid at a subscription price of USD 17.99 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on June 1, 2016 issued a total of 89,140 warrants to a member of the board of directors of the company

aktionærer.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10 for USD 17,99, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren.

Betinget af Deltagerens fortsatte ansættelsesforhold eller andet tjenesteforhold hos selskabet, et datterselskab eller et koncernselskab på det relevante modningstidspunkt, modnes de tildelte warrants med 1/36 på den sidste dag i hver af de første 36 måneder efter 1. maj 2016 ("Tildelingstidspunktet") (inklusive maj 2016).

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjenesteforhold af en hvilken som helst grund (Ophør af Tjenesteforhold), og den modnede del af de tildelte warrants kan udnyttes i det omfang, det er muligt i henhold til

(the "Participant") without pre-emption rights of the existing shareholders.

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10 at a price of USD 17.99, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

The grant of the warrants shall not be subject to payment from the Participant.

Subject to the Participant's continuing or other engagement with the company, a subsidiary or an affiliate on the applicable vesting date, the warrants will become vested with respect to 1/36 of the shares on the last day of each of the first 36 calendar months following the 1 May 2016 (the "Grant Date") (including May 2016).

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's employment or other service relationship for any reason (a Termination of Service), and the vested portion of the warrants shall be exercisable to the extent provided for in clause 2.6, provided however that the board of directors, or a committee set up by

punkt 2.6, idet bestyrelsen eller et eventuelt udvalg nedsat af bestyrelsen efter dets eget skøn og ved skriftlig meddelelse til Deltageren forud for ophøret af disse warrants kan beslutte, at den modnede del af disse warrants skal kunne udnyttes som om, der ikke var indtrådt et Ophør af Tjenesteforhold (i hvilket tilfælde den modnede del af de tildelte warrants skal kunne udnyttes som anført nedenfor, medmindre andet fremgår af denne bestemmelse eller punkt 2).

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan

the board of directors, may prior to the expiration of these warrants, in its sole discretion, by written notice to the Participant decide that the vested portion of the warrants shall remain exercisable as if a Termination of Service had not occurred (in which case the vested portion of the warrants shall be exercisable to the extent set forth below, subject to the terms and conditions set forth in this provision and section 2, shall be exercisable as stated below).

The Participant may, subject to the terms and conditions set forth in

Deltageren udnytte den modnede del af de tildelte warrants i perioden tre til seks år fra Tildelingstidspunktet (1. maj 2019 til 30. april 2022).

this provision and section 2, exercise the vested portion of the warrants during the period three to six years from the Grant Date (1 May 2019 to 30 April 2022).

De tildelte warrants udløber den 30. april 2022 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2.

The warrants will expire on April 30, 2022, or earlier as provided for in this provision or section 2.

Deltageren skal dække ethvert krav og enhver forpligtelse, som relaterer sig til pålignelige skatter. Uden at begrænse omfanget af det foregående er selskabet, dets datterselskaber og koncernselskaber ikke ansvarlige for indeholdelse af indkomstskat, sociale bidrag, arbejdsløsheds- og invalideforsikring eller øvrige

The Participant shall satisfy any and all requirements and obligations relating to applicable taxes. Without limiting the generality of the foregoing, the company, its subsidiaries and affiliates shall not be responsible for withholding any income tax, social security, unemployment, disability insurance or other tax obligations that become due from the Participant in connection with the grant or exercise

skatteforpligtelser, som forfalder hos Deltageren i forbindelse med tildelingen eller udøvelsen af de tildelte warrants, og Deltageren skal skadesløsholde selskabet, dets datterselskaber og koncernselskaber for alle omkostninger, der relaterer sig til en hvilken som helst forpligtelse i relation til sådanne skatter pålagt selskabet, dets datterselskaber eller koncernselskaber i henhold til lov.

of the warrants, and the Participant shall indemnify the company, its subsidiaries and affiliates against all expenses relating to any obligation imposed by law on the company, its subsidiaries and affiliates in respect of any such taxes.

Uanset om andet måtte fremgå af bestemmelserne i punkt 2.9.1, finder første sætning i punkt 2.9.1 anvendelse for de tildelte warrants i tilfælde af en ændring i selskabets kapitalstruktur ved (a) udstedelse af fondsaktier til alle selskabets aktionærer på pro rata basis i forhold til deres ejerskab eller (b) udbytter. Formålet med dette er at beskytte Deltageren fra enhver udvanding af den økonomiske værdi af Deltagerens ejerskab, som måtte ske som resultat af en sådan ændring af selskabets kapitalstruktur. For en ordens skyld bemærkes, at bestyrelsen eller en af bestyrelsen nedsat komite efter eget skøn kan udføre de tilpasninger, som den finder nødvendige for at beskytte Deltagerens interesser som beskrevet.

Notwithstanding the provisions of clause 2.9.1 to the contrary, the first sentence of clause 2.9.1 shall apply to these warrants in the event of a change in the company's capital structure by reason of (a) the issuance of bonus shares of the Company (in Danish "fondsaktier") to all of the company's shareholders on a pro rata basis in accordance with their ownership interest or (b) dividends. The purpose hereof is to protect the Participant from any dilution of the financial value of the Participant's ownership interest that may occur as a result of such change in the company's capital structure. For the avoidance of doubt, the board of directors or a committee appointed by the board of directors may make those adjustments it determines, in its discretion, are necessary to protect the Participant's interest as described herein.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

The other terms and conditions applicable to the granted warrants are set forth in section 2.

I konsekvens af ovenstående har bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

As a consequence of the resolution to grant warrants, the board of directors has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions laid down in section 3 and in the following:

- Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 8.914 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og
- Kapitalforhøjelsen sker for USD 17,99 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

- The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 8,914 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and
- The capital increase shall be paid at a subscription price of USD 17.99 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

1.18 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 1. juni 2016 udstedt i alt 89.140 warrants til et medlem af selskabets bestyrelse ("Deltageren") uden fortegningsret for selskabets aktionærer.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on June 1, 2016 issued a total of 89,140 warrants to a member of the board of directors of the company (the "Participant") without pre-emption rights of the existing shareholders.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10 for USD 36,85, idet tegningskursen

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10 at a price of USD 36.85, the subscription price being converted into DKK on the day the

omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren.

Betinget af Deltagerens fortsatte ansættelsesforhold eller andet tjenesteforhold hos selskabet, et datterselskab eller et koncernselskab på det relevante modningstidspunkt, modnes de tildelte warrants med 1/36 på den sidste dag i hver af de første 36 måneder efter 1. juli 2015 ("Tildelingstidspunktet") (inklusive juli 2015).

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjenesteforhold af en hvilken som helst grund (Ophør af Tjenesteforhold), og den modnede del af de tildelte warrants kan udnyttes i det omfang, det er muligt i henhold til punkt 2.6, idet bestyrelsen eller et eventuelt udvalg nedsat af bestyrelsen efter dets eget skøn og

capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

The grant of the warrants shall not be subject to payment from the Participant.

Subject to the Participant's continuing employment or other engagement with the company, a subsidiary or an affiliate on the applicable vesting date the warrants will become vested with respect to 1/36 of the shares on the last day of each of the first 36 calendar months following 1 July 2015 (the "Grant Date") (including July 2015).

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's employment or other service relationship for any reason (a Termination of Service), and the vested portion of the warrants shall be exercisable to the extent provided for in clause 2.6, provided however that the board of directors, or a committee set up by the board of directors, may prior to the expiration of these warrants, in its sole discretion, by written notice to

ved skriftlig meddelelse til Deltageren forud for ophøret af disse warrants kan beslutte, at den modnede del af disse warrants skal kunne udnyttes som om, der ikke var indtrådt et Ophør af Tjenesteforhold (i hvilket tilfælde den modnede del af de tildelte warrants skal kunne udnyttes som anført nedenfor, medmindre andet fremgår af denne bestemmelse eller punkt 2).

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan Deltageren udnytte den modnede del af de tildelte warrants i perioden tre til seks år fra Tildelingstidspunktet (1. juli 2018 til 30. juni 2021).

De tildelte warrants udløber den 30. juni 2021 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2.

Deltageren skal dække ethvert krav og enhver forpligtelse, som relaterer sig til pålignelige skatter. Uden at begrænse omfanget af det foregående er selskabet, dets datterselskaber og koncernselskaber ikke ansvarlige for indeholdelse af indkomstskat, sociale bidrag, arbejdsløsheds- og invalideforsikring eller øvrige skatteforpligtelser, som forfalder hos Deltageren i forbindelse med tildelingen eller udøvelsen af de

the Participant decide that the vested portion of the warrants shall remain exercisable as if a Termination of Service had not occurred (in which case the vested portion of the warrants shall be exercisable to the extent set forth below, subject to the terms and conditions set forth in this provision and section 2, shall be exercisable as stated below).

The Participant may, subject to the terms and conditions set forth in this provision and section 2, exercise the vested portion of the warrants during the period three to six years from the Grant Date (1 July 2018 to 30 June 2021).

The warrants will expire on June 30, 2021, or earlier as provided for in this provision or section 2.

The Participant shall satisfy any and all requirements and obligations relating to applicable taxes. Without limiting the generality of the foregoing, the company, its subsidiaries and affiliates shall not be responsible for withholding any income tax, social security, unemployment, disability insurance or other tax obligations that become due from the Participant in connection with the grant or exercise of the warrants, and the Participant shall indemnify the company, its subsidiaries and affiliates against all

tildelte warrants, og Deltageren skal skadesløsholde selskabet, dets datterselskaber og koncernselskaber for alle omkostninger, der relaterer sig til en hvilken som helst forpligtelse i relation til sådanne skatter pålagt selskabet, dets datterselskaber eller koncernselskaber i henhold til lov.

Uanset om andet måtte fremgå af bestemmelserne i punkt 2.9.1, finder første sætning i punkt 2.9.1 anvendelse for de tildelte warrants i tilfælde af en ændring i selskabets kapitalstruktur ved (a) udstedelse af fondsaktier til alle selskabets aktionærer på pro rata basis i forhold til deres ejerskab eller (b) udbytter. Formålet med dette er at beskytte Deltageren fra enhver udvanding af den økonomiske værdi af Deltagerens ejerskab, som måtte ske som resultat af en sådan ændring af selskabets kapitalstruktur. For en ordens skyld bemærkes, at bestyrelsen eller en af bestyrelsen nedsat komite efter eget skøn kan udføre de tilpasninger, som den finder nødvendige for at beskytte Deltagerens interesser som beskrevet.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

expenses relating to any obligation imposed by law on the company, its subsidiaries and affiliates in respect of any such taxes.

Notwithstanding the provisions of clause 2.9.1 to the contrary, the first sentence of clause 2.9.1 shall apply to these warrants in the event of a change in the company's capital structure by reason of (a) the issuance of bonus shares of the Company (in Danish "fondsaktier") to all of the company's shareholders on a pro rata basis in accordance with their ownership interest or (b) dividends. The purpose hereof is to protect the Participant from any dilution of the financial value of the Participant's ownership interest that may occur as a result of such change in the company's capital structure. For the avoidance of doubt, the board of directors or a committee appointed by the board of directors may make those adjustments it determines, in its discretion, are necessary to protect the Participant's interest as described herein.

The other terms and conditions applicable to the granted warrants are set forth in section 2.

I konsekvens af ovenstående har

As a consequence of the resolution to grant warrants, the board of directors has also passed a resolution regarding

bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

- Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 8.914 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og
- Kapitalforhøjelsen sker for USD 36,85 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

the increase of the share capital relating to the warrants on the terms and conditions laid down in section 3 and in the following:

- The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 8,914 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and
- The capital increase shall be paid at a subscription price of USD 36.85 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

1.19 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 1. juni 2016 udstedt i alt 285.269 warrants til et medlem af selskabets direktion ("Deltageren") uden fortegningsret for selskabets aktionærer.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on June 1, 2016 issued a total of 285,269 warrants to a member of the board of managers of the company (the "Participant") without pre-emption rights of the existing shareholders.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en

Each warrant entitles the Participant to subscribe for one share in the

nominel værdi af DKK 0,10 for USD 12,75, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

company with a nominal value of DKK 0.10 at a price of USD 12.75, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren. Tildelingen af warrants indebærer ikke en rettighed for Deltageren til at modtage yderligere warrants eller andre optioner i fremtiden.

The grant of the warrants shall not be subject to payment from the Participant. The grant of the warrants does not constitute a right of the Participant to receive further warrants or other awards in the future.

Betinget af Deltagerens fortsatte ansættelsesforhold eller andet tjenesteforhold hos selskabet, et datterselskab eller et koncernselskab på det relevante modningstidspunkt, modnes de tildelte warrants med 1/48 på den sidste dag i hver af de første 48 måneder efter 1. marts 2016 ("Tildelingstidspunktet") (inklusive marts 2016).

Subject to the Participant's continuing employment or other engagement with the company, a subsidiary or an affiliate on the applicable vesting date the warrants will become vested with respect to 1/48 of the shares on the last day of each of the first 48 calendar months following 1 March 2016 (the "Grant Date") (including March 2016).

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjenesteforhold af en hvilken som helst grund (Ophør af Tjenesteforhold), og den modnede del af de tildelte warrants kan udnyttes i det omfang, det er muligt i henhold til punkt 2.6, idet bestyrelsen eller et eventuelt udvalg nedsat af bestyrelsen efter dets eget skøn og

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's employment or other service relationship for any reason (a Termination of Service), and the vested portion of the warrants shall be exercisable to the extent provided for in clause 2.6, provided however that the board of directors, or a committee set up by the board of directors, may prior to the expiration of these warrants, in its

ved skriftlig meddelelse til Deltageren forud for ophøret af disse warrants kan beslutte, at den modnede del af disse warrants skal kunne udnyttes som om, der ikke var indtrådt et Ophør af Tjenesteforhold (i hvilket tilfælde den modnede del af de tildelte warrants skal kunne udnyttes som anført nedenfor, medmindre andet fremgår af denne bestemmelse eller punkt 2).

sole discretion, by written notice to the Participant decide that the vested portion of the warrants shall remain exercisable as if a Termination of Service had not occurred (in which case the vested portion of the warrants shall be exercisable to the extent set forth below, subject to the terms and conditions set forth in this provision and section 2, shall be exercisable as stated below).

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan Deltageren udnytte den modnede del af de tildelte warrants i

The Participant may, subject to the terms and conditions set forth in this provision and section 2, exercise the vested portion of the

perioden fire til seks år fra Tildelingstidspunktet (1. marts 2020 til 28. februar 2022).

warrants during the period four to six years from the Grant Date (1 march 2020 to 28 February 2022).

De tildelte warrants udløber den 28. februar 2022 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2.

The warrants will expire on 28 February 2022, or earlier as provided for in this provision or section 2.

Deltageren skal dække ethvert krav og enhver forpligtelse, som relaterer sig til pålignelige skatter. Uden at begrænse omfanget af det foregående er selskabet, dets datterselskaber og koncernselskaber ikke ansvarlige for indeholdelse af indkomstskat, sociale bidrag, arbejdsløsheds- og invalideforsikring eller øvrige skatteforpligtelser, som forfalder hos Deltageren i forbindelse med tildelingen eller udøvelsen af de

The Participant shall satisfy any and all requirements and obligations relating to applicable taxes. Without limiting the generality of the foregoing, the company, its subsidiaries and affiliates shall not be responsible for withholding any income tax, social security, unemployment, disability insurance or other tax obligations that become due from the Participant in connection with the grant or exercise of the warrants, and the Participant shall indemnify the company, its

tildelte warrants, og Deltageren skal skadesløsholde selskabet, dets datterselskaber og koncernselskaber for alle omkostninger, der relaterer sig til en hvilken som helst forpligtelse i relation til sådanne skatter pålagt selskabet, dets datterselskaber eller koncernselskaber i henhold til lov.

subsidiaries and affiliates against all expenses relating to any obligation imposed by law on the company, its subsidiaries and affiliates in respect of any such taxes.

Uanset om andet måtte fremgå af bestemmelserne i punkt 2.9.1, finder første sætning i punkt 2.9.1 anvendelse for de tildelte warrants i tilfælde af en ændring i selskabets kapitalstruktur ved (a) udstedelse af fondsaktier til alle selskabets aktionærer på pro rata basis i forhold til deres ejerskab eller (b) udbytter. Formålet med dette er at beskytte Deltageren fra enhver udvanding af den økonomiske værdi af Deltagerens ejerskab, som måtte ske som resultat af en sådan ændring af selskabets kapitalstruktur. For en ordens skyld bemærkes, at bestyrelsen eller en af bestyrelsen nedsat komite efter eget skøn kan udføre de tilpasninger, som den finder nødvendige for at beskytte Deltagerens interesser som beskrevet.

Notwithstanding the provisions of clause 2.9.1 to the contrary, the first sentence of clause 2.9.1 shall apply to these warrants in the event of a change in the company's capital structure by reason of (a) the issuance of bonus shares of the Company (in Danish "fondsaktier") to all of the company's shareholders on a pro rata basis in accordance with their ownership interest or (b) dividends. The purpose hereof is to protect the Participant from any dilution of the financial value of the Participant's ownership interest that may occur as a result of such change in the company's capital structure. For the avoidance of doubt, the board of directors or a committee appointed by the board of directors may make those adjustments it determines, in its discretion, are necessary to protect the Participant's interest as described herein.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

The other terms and conditions applicable to the granted warrants are set forth in section 2.

I konsekvens af ovenstående har

As a consequence of the resolution to grant warrants, the board of directors

bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions laid down in section 3 and in the following:

- Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 28.526,90 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og
- Kapitalforhøjelsen sker for USD 12,75 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

- The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 28,526.90 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and
- The capital increase shall be paid at a subscription price of USD 12.75 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

1.20 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 1. juni 2016 udstedt i alt 221.282 warrants til to af selskabets konsulenter (hver for sig "Deltageren") uden fortegningsret for selskabets aktionærer.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on June 1, 2016 issued a total of 221,282 warrants to two consultants of the company (each a "Participant") without pre-emption rights of the existing shareholders.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en

Each warrant entitles the Participant to subscribe for one share in the company

nominel værdi af DKK 0,10 for USD 20,90, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

with a nominal value of DKK 0.10 at a price of USD 20.90, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren.

The grant of the warrants shall not be subject to payment from the Participant.

Betinget af Deltagerens fortsatte ansættelsesforhold hos selskabet, et datterselskab eller et koncernselskab på det relevante modningstidspunkt, modnes de tildelte warrants med 1/48 på den sidste dag i hver af de første 48 måneder efter 4. december 2015 ("Tildelingstidspunktet") (inklusive december 2015).

Subject to the Participant's continuing employment with the company, a subsidiary or an affiliate on the applicable vesting date, the warrants will become vested with respect to 1/48 of the shares on the last day of each of the first 48 calendar months following the 4 December 2015 (the "Grant Date") (including December 2015).

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjenesteforhold af en hvilken som helst grund (Ophør af Tjenesteforhold), og den modnede del af de tildelte warrants kan udnyttes i det omfang, det er muligt i henhold til punkt 2.6, idet bestyrelsen eller et eventuelt udvalg nedsat af bestyrelsen efter dets eget skøn og ved skriftlig meddelelse til Deltageren forud for ophøret af disse warrants kan beslutte, at den modnede del af disse warrants skal kunne udnyttes

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's employment or other service relationship for any reason (a Termination of Service), and the vested portion of the warrants shall be exercisable to the extent provided for in clause 2.6, provided however that the board of directors, or a committee set up by the board of directors, may prior to the expiration of these warrants, in its sole discretion, by written notice to the Participant decide that the vested portion of the warrants shall remain exercisable as if a Termination of Service

som om, der ikke var indtrådt et Ophør af Tjenesteforhold (i hvilket tilfælde den modnede del af de tildelte warrants skal kunne udnyttes som anført nedenfor, medmindre andet fremgår af denne bestemmelse eller punkt 2).

had not occurred (in which case the vested portion of the warrants shall be exercisable to the extent set forth below, subject to the terms and conditions set forth in this provision and section 2, shall be exercisable as stated below).

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan Deltageren udnytte den modnede del af de tildelte warrants i perioden fire til seks år fra Tildelingstidspunktet (4. december 2019 til 3. december 2021).

The Participant may, subject to the terms and conditions set forth in this provision and section 2, exercise the vested portion of the warrants during the period four to six years from the Grant Date (4 December 2019 to 3 December 2021).

De tildelte warrants udløber den 3. december 2021 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2.

The warrants will expire on 3 December 2021, or earlier as provided for in this provision or section 2.

Deltageren skal dække ethvert krav og enhver forpligtelse, som relaterer sig til pålignelige skatter. Uden at begrænse omfanget af det foregående er selskabet, dets datterselskaber og koncernselskaber ikke ansvarlige for indeholdelse af indkomstskat, sociale bidrag, arbejdsløsheds- og invalideforsikring eller øvrige skatteforpligtelser, som forfalder hos Deltageren i forbindelse med tildelingen eller udøvelsen af de tildelte warrants, og Deltageren skal skadesløsholde selskabet, dets datterselskaber og koncernselskaber for alle omkostninger, der relaterer

The Participant shall satisfy any and all requirements and obligations relating to applicable taxes. Without limiting the generality of the foregoing, the company, its subsidiaries and affiliates shall not be responsible for withholding any income tax, social security, unemployment, disability insurance or other tax obligations that become due from the Participant in connection with the grant or exercise of the warrants, and the Participant shall indemnify the company, its subsidiaries and affiliates against all expenses relating to any obligation imposed by law on the company, its subsidiaries and affiliates in respect of

sig til en hvilken som helst forpligtelse i relation til sådanne skatter pålagt selskabet, dets datterselskaber eller koncernselskaber i henhold til lov.

any such taxes.

Uanset om andet måtte fremgå af bestemmelserne i punkt 2.9.1, finder første sætning i punkt 2.9.1 anvendelse for de tildelte warrants i tilfælde af en ændring i selskabets kapitalstruktur ved (a) udstedelse af fondsaktier til alle selskabets aktionærer på pro rata basis i forhold til deres ejerskab eller (b) udbytter. Formålet med dette er at beskytte Deltageren fra enhver udvanding af den økonomiske værdi af Deltagerens ejerskab, som måtte ske som resultat af en sådan ændring af selskabets kapitalstruktur. For en ordens skyld bemærkes, at bestyrelsen eller en af bestyrelsen nedsat komite efter eget skøn kan udføre de tilpasninger, som den finder nødvendige for at beskytte Deltagerens interesser som beskrevet.

Notwithstanding the provisions of clause 2.9.1 to the contrary, the first sentence of clause 2.9.1 shall apply to these warrants in the event of a change in the company's capital structure by reason of (a) the issuance of bonus shares of the Company (in Danish "fondsaktier") to all of the company's shareholders on a pro rata basis in accordance with their ownership interest or (b) dividends. The purpose hereof is to protect the Participant from any dilution of the financial value of the Participant's ownership interest that may occur as a result of such change in the company's capital structure. For the avoidance of doubt, the board of directors or a committee appointed by the board of directors may make those adjustments it determines, in its discretion, are necessary to protect the Participant's interest as described herein.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

The other terms and conditions applicable to the granted warrants are set forth in section 2.

I konsekvens af ovenstående har bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med

As a consequence of the resolution to grant warrants, the board of directors has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions laid down in section 3 and

følgende:

- Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 22.128,20 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og

- Kapitalforhøjelsen sker for USD 20,90 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

in the following:

- The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 22,128.20 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and

- The capital increase shall be paid at a subscription price of USD 20.90 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

1.21 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 1. juni 2016 udstedt i alt 140.000 warrants til en medarbejder i selskabet ("Deltageren") uden fortegningsret for selskabets aktionærer.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on June 1, 2016 issued a total of 140,000 warrants to an employee of the company (the "Participant") without pre-emption rights of the existing shareholders.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10 for USD 25,52, idet tegningskursen omregnes til DKK på dagen for

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10 at a price of USD 25.52, the subscription price being converted into DKK on the day the capital increase

kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren.

The grant of the warrants shall not be subject to payment from the Participant.

Betinget af Deltagerens fortsatte ansættelsesforhold eller andet tjenesteforhold hos selskabet, et datterselskab eller et koncernselskab på det relevante modningstidspunkt, modnes de tildelte warrants med 1/48 på den sidste dag i hver af de første 48 måneder efter 19. oktober 2015 ("Tildelingstidspunktet") (inklusive oktober 2015).

Subject to the Participant's continuing employment or other engagement with the company, a subsidiary or an affiliate on the applicable vesting date the warrants will become vested with respect to 1/48 of the shares on the last day of each of the first 48 calendar months following 19 October 2015 (the "Grant Date") (including October 2015).

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjenesteforhold af en hvilken som helst grund (Ophør af Tjenesteforhold), og den modnede del af de tildelte warrants kan udnyttes i det omfang, det er muligt i henhold til punkt 2.6, idet bestyrelsen eller et eventuelt udvalg nedsat af bestyrelsen efter dets eget skøn og ved skriftlig meddelelse til Deltageren forud for ophøret af disse warrants kan beslutte, at den modnede del af disse warrants skal kunne udnyttes som om, der ikke var indtrådt et Ophør af Tjenesteforhold (i hvilket

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's employment or other service relationship for any reason (a Termination of Service), and the vested portion of the warrants shall be exercisable to the extent provided for in clause 2.6, provided however that the board of directors, or a committee set up by the board of directors, may prior to the expiration of these warrants, in its sole discretion, by written notice to the Participant decide that the vested portion of the warrants shall remain exercisable as if a Termination of Service had not occurred (in which case the vested portion of the warrants shall be exercisable to the extent set

tilfælde den modnede del af de tildelte warrants skal kunne udnyttes som anført nedenfor, medmindre andet fremgår af denne bestemmelse eller punkt 2).

forth below, subject to the terms and conditions set forth in this provision and section 2, shall be exercisable as stated below).

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan Deltageren udnytte den modnede del af de tildelte warrants i

The Participant may, subject to the terms and conditions set forth in this provision and section 2, exercise the vested portion of the

perioden fire til seks år fra Tildelingstidspunktet (19. oktober 2019 til 18. oktober 2021).

warrants during the period four to six years from the Grant Date (19 October 2019 to 18 October 2021.

De tildelte warrants udløber den 18. oktober 2021 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2.

The warrants will expire on 18 October 2021, or earlier as provided for in this provision or section 2.

Deltageren skal dække ethvert krav og enhver forpligtelse, som relaterer sig til pålignelige skatter og bidrag til sociale sikringsordninger. Uden at begrænse omfanget af det foregående skal Deltageren som en betingelse for udnyttelse af de tildelte warrants — i tilfælde hvor en person, herunder selskabet, dets datterselskaber og koncernselskaber, ville være forpligtet til at afholde "UK PAYE income tax" og "primary class 1 (employee) national insurance contributions" (eller lignende forpligtelser til at indeholde beløb vedrørende indkomstskat eller sociale bidrag (eller lignende afgifter) i ethvert

The Participant shall satisfy any and all requirements and obligations relating to applicable taxes and social security contributions. Without limiting the generality of the foregoing, where any person, including the company, its subsidiaries and affiliates would be obliged to account for any UK PAYE income tax and primary class 1 (employee) national insurance contributions (or any similar liability to withhold amounts in respect of income tax or social security contribution (or similar charges) in any jurisdiction)(the "Tax Liability"), in connection with the grant or exercise of the warrants and/or the acquisition, holding or sale of shares, as a condition of exercise the Participant must either:

retsområde)("Skattetilsvaret") i forbindelse med tildeling eller udnyttelse af de tildelte warrants og/eller erhvervelse, besiddelse eller salg af aktier — enten:

- foretage en betaling til selskabet, dets datterselskab eller koncernselskab (afhængigt af forholdene) af et beløb svarende til Skattetilsvaret, eller
- make a payment to the company, its subsidiary or affiliate (as applicable) of an amount equal to the Tax Liability; or
- indgå en ordning med selskabet, dets datterselskaber eller koncernselskaber (afhængigt af forholdene), der er opfylder disses krav, for at sikre at en sådan betaling foretages (herunder eksempelvis bemyndigelse af selskabet eller en person til at tilvejebringe et salg af alle eller dele af aktierne på dennes vegne samt bemyndigelse af betaling til selskabet eller en person af det relevante beløb ud af salgsprovenuet eller på anden måde).
- enter into arrangements with and to the satisfaction of the Company, its Subsidiary or Affiliate (as applicable), to secure that such a payment is made (including but not limited to authorizing the company or person to procure the sale of some or all of the Ordinary Shares on his behalf and authorizing the payment to the company or person of the relevant amount out of the proceeds of sale or otherwise).

Tildelingen af warrants udgør ikke en del af nogen form for ansættelseskontrakt med Deltageren. Tildelingen af warrants berettiger ikke Deltageren til få tildelt yderligere warrants. Såfremt Deltagerens tjenesteforhold eller ansættelse hos selskabet, et datterselskab eller et koncernselskab ophører, er han ikke

The grant of warrants does not form part of any contract of employment with the Participant. The grant of warrants does not give the Participant any right or entitlement to have any other warrants granted to him. If the Participant ceases to hold an office or employment within the Company, a subsidiary or an affiliate he is not entitled to any compensation for any loss of any rights or benefits under the grant of warrants whether the loss is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation

berettiget til nogen form for kompensation for tab af rettigheder eller ydelser i henhold tildelingen af warrants, hverken i form af erstatning for uberettiget afskedigelse eller anden form for misligholdelse eller i form af fratrædelsesgodtgørelse eller på anden måde. Denne undtagelse finder ligeledes (ubegrænset) anvendelse i relation til ethvert tab, der måtte opstå som følge af den måde, hvorpå et skøn er (eller ikke er) udøvet i henhold til denne bestemmelse eller punkt 2, selv hvis udøvelsen (eller ikke-udøvelsen) af et sådant skøn er eller fremstår som irrationelt eller urigtigt og/eller er i strid med eller hævdes at være i strid med nogen form for stiltiende kontraktvilkår i tildelingen af warrants eller enhver anden kontrakt mellem Deltageren og dennes arbejdsgiver.

for loss of office or otherwise. This exclusion applies equally (and without limitation) to any loss arising from the way in which any discretion is (or is not) exercised under this provision and section 2 even if the exercise (or non-exercise) of such discretion is, or appears to be, irrational or perverse and/or breaches, or is claimed to breach any implied term of the grant of warrants or any other contract between the Participant and his/her employer.

Uanset om andet måtte fremgå af bestemmelserne i punkt 2.9.1, finder første sætning i punkt 2.9.1 anvendelse for de tildelte warrants i tilfælde af en ændring i selskabets kapitalstruktur ved (a) udstedelse af fondsaktier til alle selskabets aktionærer på pro rata basis i forhold til deres ejerskab eller (b) udbytter. Formålet med dette er at beskytte Deltageren fra enhver udvanding af den økonomiske værdi af Deltagerens ejerskab, som måtte ske som resultat af en sådan ændring af selskabets kapitalstruktur. For en ordens skyld

Notwithstanding the provisions of clause 2.9.1 to the contrary, the first sentence of clause 2.9.1 shall apply to these warrants in the event of a change in the company's capital structure by reason of (a) the issuance of bonus shares of the Company (in Danish "fondsaktier") to all of the company's shareholders on a pro rata basis in accordance with their ownership interest or (b) dividends. The purpose hereof is to protect the Participant from any dilution of the financial value of the Participant's ownership interest that may occur as a result of such change in the company's capital structure.

For the avoidance of doubt, the board of directors or a committee appointed by the board of directors may make those adjustments it determines, in its discretion, are necessary to protect the Participant's

bemærkes, at bestyrelsen eller en af bestyrelsen nedsat komite efter eget skøn kan udføre de tilpasninger, som den finder nødvendige for at beskytte Deltagerens interesser som beskrevet.

interest as described herein.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

The other terms and conditions applicable to the granted warrants are set forth in section 2.

I konsekvens af ovenstående har bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

As a consequence of the resolution to grant warrants, the board of directors has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions laid down in section 3 and in the following:

- Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 14.000 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og
- The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 14,000 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and
- Kapitalforhøjelsen sker for USD 25,52 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt
- The capital increase shall be paid at a subscription price of USD 25.52 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

2.9).

1.22 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 29. marts 2017 udstedt i alt 4.166 warrants til en medarbejder i selskabet ("Deltageren") uden fortegningsret for selskabets aktionærer.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on March 29, 2017 issued a total of 4,166 warrants to an employee of the company (the "Participant") without pre-emption rights of the existing shareholders.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10.

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10.

4.166 aktier kan tegnes for USD 21,95 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

4,166 shares may be subscribed for at a price of USD 21.95 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren. Tildelingen af warrants indebærer ikke en rettighed for Deltageren til at modtage yderligere warrants eller andre optioner i fremtiden.

The grant of the warrants shall not be subject to payment from the Participant. The grant of the warrants does not constitute a right of the Participant to receive further warrants or other awards in the future.

Alle de tildelte warrants er fuldt modnede på Tildelingstidspunktet.

All of the granted warrants are fully vested at the Grant Date.

I tilfælde af Deltagerens fratræden fra selskabet, et datterselskab eller et koncernselskab (hvorefter Deltageren

In the event the Participant resigns from his position with the company, a subsidiary or an affiliate (and the

ikke længere er ansat i Selskabet eller noget datterselskab eller koncernselskab) på grund af egen eller selskabets, et datterselskabs eller et koncernselskabs opsigelse af Modtagerens ansættelsesforhold vil Modtagerens retsstilling være som beskrevet i Aktieoptionslovens §§ 4 og 5, idet bestyrelsen i tilfælde af Deltagerens opsigelse forud for udløb af Udnyttelsesperioden (som defineret nedenfor) efter dets eget skøn dog kan beslutte, at warrants skal kunne udnyttes som om, Deltageren ikke havde opsagt sin stilling (i hvilket tilfælde de modnede warrants skal kunne udnyttes som anført nedenfor, medmindre andet fremgår af denne bestemmelse eller punkt 2.

Participant is thereafter no longer employed with the company or any subsidiary or affiliate) due to the Participant's own termination or due to the company's, a subsidiary's or an affiliate's termination of the Participant's employment, the Participant's position will be as laid down in sections 4 and 5 of the Danish Stock Option Act, provided however that the board of directors in case of the Participant's resignation prior to the expiration of the warrants may in its sole discretion decide that the warrants shall remain exercisable as if the Participant had not resigned (in which case the vested warrants shall be exercisable as set forth below, subject to the terms and conditions set forth in this provision and section 2).

Dette indebærer blandt andet følgende:	This *inter alia* implies the following:
Såfremt Deltageren fratræder sin stilling i selskabet, et datterselskab eller et koncernselskab på grund af Deltagerens egen opsigelse, bortfalder Deltagerens ret til at udnytte sine tildelte warrants. Warrants, hvor Udnyttelsesperioden er indtrådt inden Deltagerens fratræden, kan dog udnyttes indtil fratrædelsestidspunktet på de i denne bestemmelse og punkt 2 anførte betingelser og vilkår.	In the event that the Participant resigns from his position in the company, a subsidiary or an affiliate due to his own termination of employment, the Participant's right to exercise warrants granted will lapse. Warrants, where the Exercise Period has commenced prior to the termination of the Participant's employment, may, however, be exercised in the period until termination of the Participant's employment on the terms and conditions provided for in this provision and section 2.

Såfremt Deltageren fratræder sin stilling i selskabet, et datterselskab eller et koncernselskab på grund af selskabets, et datterselskabs eller et koncernselskabs opsigelse, der ikke skyldes Deltagerens misligholdelse, bevarer Deltageren ret til samtlige tildelte warrants, uanset om Udnyttelsesperioden er indtrådt inden Deltagerens fratræden. Det samme gælder de tilfælde, der er angivet i aktieoptionslovens § 4, stk. 2 (fratræden på grund af alder/pensionering) og § 4, stk. 3 (fratræden på grund af selskabets, et datterselskabs eller et koncernselskabs grove misligholdelse).	In the event that the Participant resigns from his position in the company due to the company's, a subsidiary's or an affiliate's termination of the employment, which is not due to breach on the part of the Participant, the Participant will remain entitled to all warrants that have been granted, irrespective of whether the exercise period has commenced prior to the termination of his employment. The same applies in those instances mentioned in the Stock Option Act, section 4(2) (resignation due to age/retirement) and section 4(3) (resignation due to material breach on the part of the company, a subsidiary or an affiliate).
Såfremt Deltageren fratræder sin stilling på grund af selskabets, et datterselskabs eller et koncernselskabs opsigelse, der skyldes misligholdelse fra Deltagerens side, eller såfremt Deltageren bliver bortvist berettiget, bortfalder Deltagerens ret til alle tildelte warrants på fratrædelsestidspunktet. Warrants, hvor udnyttelsesperioden er indtrådt inden Deltagerens fratræden, kan udnyttes indtil fratrædelsestidspunktet på de i denne bestemmelse og punkt 2 anførte betingelser og vilkår.	In the event that the Participant resigns from his position in the company due to the company's, a subsidiary's or an affiliate's termination of employment, which is due to breach on the part of the Participant, or the Participant is justly dismissed by the company, the Participant's right to all warrants granted will lapse upon termination of the employment. Warrants, where the Exercise Period has commenced prior to the termination of the Participant's employment, may however be exercised in the period until the termination of his employment on the terms and conditions provided for in this provision or section 2.

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan Deltageren udnytte de tildelte warrants i perioden fra og med den 30. november 2020 til og med 29. november 2022 ("Udnyttelsesperioden").	The Participant may, subject to the terms and conditions set forth in this provision and section 2, exercise the warrants during the period from and including November 20, 2020 through November 29, 2022 ("Exercise Period").
De tildelte warrants udløber den 29. november 2022 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2.	The warrants will expire on November 29, 2022 or earlier as provided for in this provision or section 2.
Deltageren skal dække ethvert krav og enhver forpligtelse, som relaterer sig til pålignelige skatter. Uden at begrænse omfanget af det foregående er selskabet, dets datterselskaber og koncernselskaber ikke ansvarlige for indeholdelse af indkomstskat, sociale bidrag, arbejdsløsheds- og invalideforsikring eller øvrige skatteforpligtelser, som forfalder hos Deltageren i forbindelse med tildelingen eller udøvelsen af de tildelte warrants, og Deltageren skal skadesløsholde selskabet, dets datterselskaber og koncernselskaber for alle omkostninger, der relaterer sig til en hvilken som helst forpligtelse i relation til sådanne skatter pålagt selskabet, dets datterselskaber eller koncernselskaber i henhold til lov.	The Participant shall satisfy any and all requirements and obligations relating to applicable taxes. Without limiting the generality of the foregoing, the company, its subsidiaries and affiliates shall not be responsible for withholding any income tax, social security, unemployment, disability insurance or other tax obligations that become due from the Participant in connection with the grant or exercise of the warrants, and the Participant shall indemnify the company, its subsidiaries and affiliates against all expenses relating to any obligation imposed by law on the company, its subsidiaries and affiliates in respect of any such taxes.
Uanset om andet måtte fremgå af bestemmelserne i punkt 2.9.1, finder første sætning i punkt 2.9.1 anvendelse	Notwithstanding the provisions of clause 2.9.1 to the contrary, the first sentence of clause 2.9.1 shall apply to

for de tildelte warrants i tilfælde af en ændring i selskabets kapitalstruktur ved (a) udstedelse af fondsaktier til alle selskabets aktionærer på pro rata basis i forhold til deres ejerskab eller (b) udbytter. Formålet med dette er at beskytte Deltageren fra enhver udvanding af den økonomiske værdi af hans ejerskab, som måtte ske	these warrants in the event of a change in the company's capital structure by reason of (a) the issuance of bonus shares of the Company (in Danish "fondsaktier") to all of the company's shareholders on a pro rata basis in accordance with their ownership interest or (b) dividends. The purpose hereof is to protect the

som resultat af en sådan ændring af selskabets kapitalstruktur. For en ordens skyld bemærkes, at bestyrelsen eller en af bestyrelsen nedsat komite efter eget skøn kan udføre de tilpasninger, som den finder nødvendige for at beskytte Deltagerens interesser som beskrevet.

Participant from any dilution of the financial value of his ownership interest that may occur as a result of such change in the company's capital structure. For the avoidance of doubt, the board of directors or a committee appointed by the board of directors may make those adjustments it determines, in its discretion, are necessary to protect the Participant's interest as described herein.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2, bortset fra punkt 2.6 som ikke finder anvendelse.

The other terms and conditions applicable to the granted warrants are set forth in section 2, save for section 2.6 which shall not apply.

I konsekvens af ovenstående har bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

As a consequence of the resolution to grant warrants, the board of directors has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions laid down in section 3 and in the following:

Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 416,6 (jf. dog justeringsklausulen

The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 416.6 (cf. however the adjustment

i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og

mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and

Kapitalforhøjelsen sker for USD 21,95 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

The capital increase shall be paid at a subscription price of USD 21.95 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

1.23 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 29. marts 2017 udstedt i alt 60.000 warrants til en medarbejder i selskabet ("Deltageren") uden fortegningsret for selskabets aktionærer.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on March 29, 2017 issued a total of 60,000 warrants to an employee of the company (the "Participant") without pre-emption rights of the existing shareholders.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10.

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10.

60.000 aktier kan tegnes for USD 27,49 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

60,000 shares may be subscribed for at a price of USD 27.49 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren. Tildelingen af

The grant of the warrants shall not be subject to payment from the Participant.

warrants indebærer ikke en rettighed for Deltageren til at modtage yderligere warrants eller andre optioner i fremtiden.

The grant of the warrants does not constitute a right of the Participant to receive further warrants or other awards in the future.

Betinget af Deltagerens fortsatte ansættelsesforhold hos selskabet, et datterselskab eller et koncernselskab på det relevante modningstidspunkt, modnes de tildelte warrants med 1/48 på den sidste dag i hver af de første 48 måneder efter 1. marts 2017 ("Tildelingstidspunktet") (inklusive marts 2017).

Subject to the Participant's continuing employment with the company, a subsidiary or an affiliate on the applicable vesting date, the warrants will become vested with respect to 1/48 of the shares on the last day of each of the first 48 calendar months following March 1, 2017 (the "Grant Date") (including March 2017).

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjenesteforhold af en hvilken som helst grund (Ophør af Tjenesteforhold), og den modnede del af de tildelte warrants kan udnyttes i det omfang, det er muligt i henhold til punkt 2.6, idet bestyrelsen eller et eventuelt udvalg nedsat af bestyrelsen efter dets eget skøn og ved skriftlig meddelelse til Deltageren forud for ophøret af disse warrants kan beslutte, at den modnede del af disse warrants skal kunne udnyttes som om, der ikke var indtrådt et Ophør af Tjenesteforhold (i hvilket tilfælde den modnede del af de tildelte warrants skal kunne udnyttes som anført nedenfor, medmindre andet fremgår af denne bestemmelse eller punkt 2).

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's employment or other service relationship for any reason (a Termination of Service), and the vested portion of the warrants shall be exercisable to the extent provided for in clause 2.6, provided however that the board of directors, or a committee set up by the board of directors, may prior to the expiration of these warrants, in its sole discretion, by written notice to the Participant decide that the vested portion of the warrants shall remain exercisable as if a Termination of Service had not occurred (in which case the vested portion of the warrants shall be exercisable to the extent set forth below, subject to the terms and conditions set forth in this provision and section 2).

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan Deltageren udnytte den modnede del af de tildelte warrants i perioden tre til seks år fra Tildelingstidspunktet (dvs. fra 1. marts 2020 til 28. februar 2023).

The Participant may, subject to the terms and conditions set forth in this provision and section 2, exercise the vested portion of the warrants during the period three to six years from the Grant Date (i.e. from March 1, 2020 to February 28, 2023).

De tildelte warrants udløber den 28. februar 2023 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2.

The warrants will expire on February 28, 2023 or earlier as provided for in this provision or section 2.

Deltageren skal dække ethvert krav og enhver forpligtelse, som relaterer sig til pålignelige skatter. Uden at begrænse omfanget af det foregående er selskabet, dets datterselskaber og koncernselskaber ikke ansvarlige for indeholdelse af indkomstskat, sociale bidrag, arbejdsløsheds- og invalideforsikring eller øvrige skatteforpligtelser, som forfalder hos Deltageren i forbindelse med tildelingen eller udøvelsen af de tildelte warrants, og Deltageren skal skadesløsholde selskabet, dets datterselskaber og koncernselskaber for alle omkostninger, der relaterer sig til en hvilken som helst forpligtelse i relation til sådanne skatter pålagt selskabet, dets datterselskaber eller koncernselskaber i henhold til lov.

The Participant shall satisfy any and all requirements and obligations relating to applicable taxes. Without limiting the generality of the foregoing, the company, its subsidiaries and affiliates shall not be responsible for withholding any income tax, social security, unemployment, disability insurance or other tax obligations that become due from the Participant in connection with the grant or exercise of the warrants, and the Participant shall indemnify the company, its subsidiaries and affiliates against all expenses relating to any obligation imposed by law on the company, its subsidiaries and affiliates in respect of any such taxes.

Uanset om andet måtte fremgå af bestemmelserne i punkt 2.9.1, finder første sætning i punkt 2.9.1 anvendelse

Notwithstanding the provisions of clause 2.9.1 to the contrary, the first sentence of clause 2.9.1 shall apply to

for de tildelte warrants i tilfælde af en ændring i selskabets kapitalstruktur ved (a) udstedelse af fondsaktier til alle selskabets aktionærer på pro rata basis i forhold til deres ejerskab eller (b) udbytter. Formålet med dette er at beskytte Deltageren fra enhver udvanding af den økonomiske værdi af hans ejerskab, som måtte ske som resultat af en sådan ændring af selskabets kapitalstruktur. For en ordens skyld bemærkes, at bestyrelsen eller en af bestyrelsen nedsat komite efter eget skøn kan udføre de tilpasninger, som den finder nødvendige for at beskytte Deltagerens interesser som beskrevet.

these warrants in the event of a change in the company's capital structure by reason of (a) the issuance of bonus shares of the Company (in Danish "fondsaktier") to all of the company's shareholders on a pro rata basis in accordance with their ownership interest or (b) dividends. The purpose hereof is to protect the Participant from any dilution of the financial value of his ownership interest that may occur as a result of such change in the company's capital structure. For the avoidance of doubt, the board of directors or a committee appointed by the board of directors may make those adjustments it determines, in its discretion, are necessary to protect the Participant's interest as described herein.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2, bortset fra punkt 2.5 som ikke finder anvendelse.

The other terms and conditions applicable to the granted warrants are set forth in section 2, save for section 2.5 which shall not apply.

I konsekvens af ovenstående har bestyrelsen samtidig truffet beslutning om den til disse warrants hørende kapitalforhøjelse på de vilkår, der fremgår af punkt 3, suppleret med følgende:

As a consequence of the resolution to grant warrants, the board of directors has also passed a resolution regarding the increase of the share capital relating to the warrants on the terms and conditions laid down in section 3 and in the following:

Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 6.000 (jf. dog justeringsklausulen

The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 6,000 (cf. however the

i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og

adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and

Kapitalforhøjelsen sker for USD 27,49 pr. aktie af DKK 0,10, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

The capital increase shall be paid at a subscription price of USD 27.49 per share of DKK 0.10, the subscription price being converted into DKK on the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 2.9).

2 2014 WARRANT VILKÅR

2 2014 WARRANT TERMS

2.1 FORMÅL

2.1 SCOPE

2.1.1 Følgende vilkår skal være gældende for warrants udstedt af bestyrelsen i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 ("Warrants"), i det omfang andet ikke fremgår af de relevante vedtægtsbestemmelser under punkt 1 ovenfor ("Vedtægtsbestemmelsen").

2.1.1 The following terms and conditions shall apply to warrants issued by the board of directors pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association ("Warrants"), to the extent not otherwise set forth in the relevant articles under clause 1 above (the "Article").

2.2	**WARRANTS**	**WARRANTS**
2.2.1	Hver Warrant berettiger ejeren "Deltageren" til at tegne én aktie i selskabet á nominelt DKK 0,10 mod betaling af den i Vedtægtsbestemmelsen fastsatte udnyttelseskurs.	Each Warrant entitles the holder (the "Participant") to subscribe for one share in the company with a nominal value of DKK 0.10 against payment of the exercise price set forth in the Article.
2.3	**MODNINGSPERIODE**	**VESTING PERIOD**
2.3.1	Bestemmelser vedrørende modning af	Vesting provisions applicable to the

	de tildelte Warrants fremgår af Vedtægtsbestemmelsen. Hvis Deltagerens ansættelses- eller andet tjenesteforhold til selskabet, et datterselskab eller et koncernselskab ophører, uanset årsagen hertil, bortfalder ikke-modnede Warrants uden kompensation, mens modnede Warrants kan udnyttes i det omfang, det fremgår af Vedtægtsbestemmelsen og punkt 2.6 nedenfor.	Warrants are set forth in the Article. The unvested portion of the Warrants will be cancelled for no compensation upon the termination of the Participant's employment or other service relationship with the company, a subsidiary or an affiliate for any reason, while the vested portion of the Warrants shall be exercisable to the extent provided for in the Article and clause 2.6 below.
2.4	**UDNYTTELSE**	**EXERCISE**
2.4.1	For at udnytte Warrants skal Deltageren (eller i tilfælde af udnyttelse efter Deltagerens død eller umyndiggørelse, Deltagerens bobestyrer, arving eller værge) give meddelelse til selskabet om den påtænkte udnyttelse samt betale udnyttelseskursen som anført i punkt 2.4.2. Hvis Warrants udnyttes af en anden end Deltageren skal denne person fremlægge dokumentation, for personens ret til at udnytte de pågældende Warrants.	To exercise the Warrants, the Participant (or in the case of exercise after the Participant's death or incapacity, the Participant's executor, administrator, heir or legatee, as the case may be) must deliver to the company a notice of intent to exercise the Warrants and pay the exercise price as specified in clause 2,4.2. If someone other than the Participant exercises the Warrants, then such person must submit documentation verifying that such person has the legal right to exercise the Warrants.
2.4.2	Tegningskursen for aktierne, der udstedes ved udnyttelse af Warrants, skal indbetales kontant til Selskabet inden for 3 dage efter Selskabet har modtaget meddelelse om udnyttelsen.	The price of the shares to be issued upon the exercise of the Warrants shall be paid to the company in cash within three days of the date on which the company received notice of exercise.
2.4.3	Warrants kan kun udnyttes til at	The Warrants may be exercised only

	tegne et helt antal aktier.	to subscribe for a whole number of shares.
2.5	**CHANGE IN CONTROL**	**CHANGE IN CONTROL**
2.5.1	Hvis selskabet gennemfører en "Change in Control" (som defineret nedenfor) før alle Warrants kan udnyttes, og Deltageren er i et ansættelses- eller andet tjenesteforhold til selskabet, et datterselskab eller et koncernselskab frem til datoen for en sådan Change in Control, skal 100 procent af de tildelte Warrants modne og kunne udnyttes umiddelbart før gennemførelsen af en sådan Change in Control.	If the company consummates a Change in Control (as defined below) prior to the date that the Warrants are exercisable in full and the Participant continues to be employed by or in other service relationship with the company, a subsidiary or an affiliate through the date of such Change in Control, 100 per cent of the Warrants shall vest and become exercisable immediately prior to the consummation of such Change in Control.
	"Change in Control" skal omfatte følgende begivenheder:	"Change in Control" means any of the following events:
	A. en "person" (som dette begreb anvendes i §§ 13(d) and 14(d) i den amerikanske Securities Exchange Act fra 1934 med senere ændringer ("1934-Loven"), bortset fra:	A. a "person" (as such term in used in Sections 13(d) and 14(d) of the US Securities Exchange Act of 1934, as amended (the "1934 Act")), other than:
	(i) en administrator eller lignende, der besidder værdipapirer i henhold til en medarbejderordning i selskabet,	(i) a trustee or other fiduciary holding securities under an employee benefit plan of the company,
	(ii) et selskab, der ejes direkte eller indirekte af aktionærerne i selskabet i væsentligt samme forhold som deres ejerskab af aktier i selskabet, eller	(ii) a corporation owned, directly or indirectly, by the shareholders of the company in substantially the same proportions as their ownership of shares of the

		company, or
	(iii) en person der umiddelbart forud for tildelingstidspunktet	(iii) a person who beneficially owns, directly or indirectly,

direkte eller indirekte er retmæssig ejer af mere end 50 % af stemmerettighederne i henhold til selskabets på dette tidspunkt værende selskabskapital (en "50 % Ejer"),

der direkte eller indirekte er eller bliver "retmæssig ejer" (som defineret i regel 13D-3, i 1934-Loven) af aktier i selskabet, der repræsenterer mere end halvtreds procent (50 %) af de samlede stemmerettigheder i henhold til selskabets på dette tidspunkt udestående selskabskapital,

B. selskabet fusionerer eller sammenlægges med en anden virksomhed, bortset fra en fusion eller sammenlægning, hvor:

(i) en 50 % Ejer fortsat direkte eller indirekte ejer (enten ved at forblive udestående eller ved at blive konverteret til stemmeberettigede aktier i det fortsættende selskab) mere end halvtreds procent (50 %) af stemmerettighederne i selskabet eller den fortsættende enhed umiddelbart efter en sådan fusion eller sammenlægning, eller

immediately prior to the grant date, more than 50% of the combined voting power of the company's then outstanding securities (a "50% Owner"),

is or becomes the "beneficial owner" (as defined in Rule 13D-3 under the 1934 Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the company's then-outstanding securities;

B. the company merges or consolidates with any other corporation, other than in a merger or consolidation in which:

(i) a 50% Owner continues to own, directly or indirectly (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the combined voting power of the voting securities of the company or such surviving entity outstanding immediately after such merger or consolidation; or

(ii) the holders of the voting securities

(ii) indehaverne af de stemmeberettigede aktier i selskabet umiddelbart forud for en sådan fusion eller sammenlægning fortsat direkte eller indirekte ejer (enten ved at forblive udestående eller ved at blive konverteret til stemmeberettigede aktier i det fortsættende selskab) mere end halvtreds procent (50 %) af stemmerettighederne i selskabet eller den fortsættende enhed umiddelbart efter fusionen eller sammenlægningen i væsentligt samme forhold som deres ejerskab af de stemmeberettigede aktier i selskabet umiddelbart før en sådan fusion eller sammenlægning, eller

C. En likvidation af selskabet eller et salg eller anden overdragelse af alle eller i al væsentlighed alle selskabets aktiver,

dog således at:

(1) ingen begivenhed udgør en Change in Control, medmindre en sådan begivenhed også udgør en change in control event som defineret i § 409A(a)(ii)(a)(v) i den amerikanske Internal Revenue Code (med senere ændringer) og regler udstedt i henhold hertil, og

(2) ingen af følgende erhvervelser

of the company immediately prior to such merger or consolidation continue to own, directly or indirectly (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the combined voting power of the voting securities of the company or such surviving entity outstanding immediately after such merger or consolidation in substantially the same proportion as their ownership of the voting securities of the company immediately prior to such merger or consolidation; or

C. the complete liquidation of the company or the sale or other disposition of all or substantially all of the company's assets;

provided that:

(1) no event shall constitute a Change in Control hereunder unless such event is also a change in control event as defined under Section 409A(a)(ii)(A)(v) of the US Internal Revenue Code, as amended from time to time, and the regulations promulgated thereunder, and

(2) the following shall not constitute a Change in Control for the purposes of the Warrants:

udgør en Change in Control i relation til de tildelte Warrants:

(a) eventuelle erhvervelser af aktier eller værdipapirer i Selskabet (uanset om det sker ved udstedelse af nye værdipapirer eller salg af eksisterende værdipapirer ejet af selskabet) i en transaktion eller serie transaktioner primært med bona fide egenkapitalsfinansieringsformål, hvori selskabet modtager kontanter eller selskabets gæld annulleres eller konverteres eller en kombination heraf,

(b) enhver erhvervelse af aktier eller værdipapirer i selskabet (uanset om det sker ved udstedelse af nye værdipapirer eller salg af eksisterende værdipapirer ejet af selskabet), af en ordning for medarbejdere (eller en hermed forbundet ordning) støttet eller videreført af selskabet; eller

(c) enhver erhvervelse af aktier eller værdipapirer i selskabet, direkte eller indirekte fra selskabet, (uanset om det sker ved udstedelse af nye værdipapirer eller salg af eksisterende værdipapirer ejet af selskabet) af, eller enhver overdragelse af aktier eller

(a) any acquisitions of securities of the Company directly from the company (whether by issuance of new securities or sale of existing securities held by the company) in a transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the company or indebtedness of the company is cancelled or converted or a combination thereof,

(b) any acquisition of securities of the company (whether by issuance of new securities or sale of existing securities held by the company) by any employee benefit plan (or related trust) sponsored by or maintained by the company, or

(c) any acquisitions of securities of the company directly from the company (whether by issuance of new securities or sale of existing securities held by the Company) by, or any transfer of securities among, Nordic Biotech K/S, Nordic Biotech Opportunity Fund K/S, NB FP Investment K/S and NB FP

Investment II K/S as well as any affiliate or associate of such shareholders, including without limitation any limited or general partners of such shareholders.

værdipapirer blandt, Nordic Biotech K/S, Nordic Biotech Opportunity Fund K/S, NB FP Investment K/S og NB FP Investment II K/S såvel som enhver af sådanne aktionærers koncernforbundne eller associerede selskaber, herunder enhver komplementar eller kommanditist i sådanne aktionærer.

2.5.2 Bestyrelsen eller et eventuelt udvalg nedsat af bestyrelsen, kan ved en Change in Control efter eget skøn vælge at (a) annullere alle udestående Warrants imod kontant udbetaling af et beløb (herunder nul) svarende til forskellen mellem den på dette tidspunkt værende markedsværdi af selskabets aktie fratrukket udnyttelseskursen som fastsat i Vedtægtsbestemmelsen, (b) annullere alle Deltagerens uudnyttede Warrants, efter at have givet Deltageren rimelig mulighed for at udnytte alle modnede, udestående Warrants, (c) foranledige at det fortsættende selskab overtager alle udestående Warrants eller ombytter alle udestående Warrants med økonomisk sammenlignelige tildelinger eller (d) tage sådanne andre forholdsregler, som bestyrelsen eller et eventuelt udvalg anser for passende. Det er en forudsætning for ovenstående, at den valgte fremgangsmåde i al væsentlighed

Upon a Change in Control, the board of directors, or a committee set up by the board of directors, if any, may, in its discretion (a) cancel any outstanding Warrants in exchange for a cash payment of an amount (including zero) equal to the difference between the then fair market value of the company's share less the agreed exercise price set forth in the Article, (b) after having given the Participant a reasonable chance to exercise any vested outstanding Warrants, terminate any or all of the Participant's unexercised Warrants, (c) cause the surviving corporation to assume all outstanding Warrants or replace all outstanding Warrants with economically comparable awards or (d) take such other action as the board of directors or the committee, if any, shall determine to be appropriate; provided that any such action shall substantially preserve the economic value of such Warrants determined as of immediately prior to such Change in

bevarer den økonomiske værdi af de omhandlede Warrants opgjort umiddelbart før en sådan Change in Control.

Control.

2.6 OPHØR AF DELTAGERENS RELATION TIL SELSKABET

TERMINATION OF THE PARTICIPANT'S RELATIONS WITH THE COMPANY

2.6.1 Såfremt en Deltagers ansættelses- eller andet tjenesteforhold hos selskabet, et datterselskab eller et koncernselskab ophører, kan Deltageren (eller efter omstændighederne Deltagerens repræsentant eller dødsbo) udnytte sine Warrants (i det omfang Deltageren var berettiget til at udøve sådanne Warrants på tidspunktet ophøret) i en periode, der udløber på det tidligste af følgende tidspunkter: (a) datoen der falder tre måneder efter ophøret (dog 12 måneder derefter såfremt ophøret af ansættelses- eller andet tjenesteforhold hos selskabet skyldes Deltagerens død) og (b) udløbsdatoen for Warrants som fastsat i Vedtægtsbestemmelsen. Hvis Deltageren ikke udnytter sine Warrants inden for den periode, der er angivet heri eller i Vedtægtsbestemmelsen, bortfalder alle Warrants og de ophører med at kunne udnyttes uden kompensation.

In the event a Participant's employment or other service relationship with the company, a subsidiary or an affiliate is terminated, the Participant (or the Participant's legal representative or estate, as applicable) may exercise his Warrants (to the extent that the Participant was entitled to exercise such Warrants as of the date of such termination) only within such period of time ending on the earlier of: (a) the date three months following such termination (12 months thereafter in the case of a termination of employment or other service relationship with the company due to the Participant's death) and (b) the expiration of the term of the Warrants as set forth in the Article. If, after such termination, the Participant does not exercise his Warrants within the time specified herein or in the Articles, the Warrants shall immediately terminate and cease to be exercisable with no compensation due therefor.

2.6.2 Såfremt en Deltagers ansættelses- eller andet tjenesteforhold hos

In the event a Participant's employment or other service relationship

selskabet, et datterselskab eller et koncernselskab opsiges af Selskabet mv. som følge af Deltagerens misligholdelse, bortfalder alle Warrants (uanset om de er modnet eller ej og uanset punkt 2.6.1), og de ophører med at kunne udnyttes uden kompensation.

with the company, a subsidiary or an affiliate is terminated by the company etc. for cause, all outstanding Warrants (whether or not vested and irrespective of clause 2.6.1) shall immediately terminate and cease to be exercisable with no compensation due therefor.

2.7 UDLØB

EXPIRATION

2.7.1 Warrants udløber på udløbsdatoen fastsat i Vedtægtsbestemmelsen eller på et sådant tidligere tidspunkt som måtte fremgå af disse vilkår.

The Warrants will expire on the expiration date set forth in the Article, or at such earlier point in time as may be provided for in these terms.

2.8 OVERDRAGELSE

ASSIGNMENT

2.8.1 Uden forudgående skriftligt samtykke fra Selskabets bestyrelse eller et eventuelt udvalg nedsat af bestyrelsen kan Warrants ikke

Except with the prior written consent of the company's board of directors, or a committee set up by the board of directors, if any, in

overdrages af Deltageren, undtagen i henhold til testamente eller arv efter gældende arvelovgivning ved Deltagerens død, ligesom alene Deltageren (eller dennes værge i tilfælde af Deltagerens umyndiggørelse) kan udnytte Warrants i Deltagerens levetid. Overdragelse eller anden overførsel af Warrants eller de rettigheder, de repræsenterer, skal uanset om det sker frivilligt eller ufrivilligt, i henhold til lov eller på anden vis (undtagen i henhold til testamente eller arv efter gældende arvelovgivning ved Deltagerens død eller med

its sole discretion, the Warrants are not transferable by the Participant other than to a designated beneficiary upon the Participant's death or by will or the laws of descent and distribution, and are exercisable during the Participant's lifetime only by him (or his legal guardian in the event of the Participant's incapacity). No assignment or transfer of the Warrants, or the rights represented thereby whether voluntary or involuntary, by operation of law or otherwise (except to a designated beneficiary, upon death, by will or the laws of descent or distribution or with the prior written consent of the company's

forudgående skriftligt samtykke fra selskabets bestyrelse eller et eventuelt udvalg nedsat af bestyrelsen) under ingen omstændigheder tillægge modtageren nogen form for rettigheder hertil. Ved en sådan overdragelse eller overførsel fortabes retten til Warrants straks uden kompensation, og aftalen med Deltageren om tildelingen af Warrants ophører straks og vil ikke længere være gyldig.

board of directors or a committee set up by the board of directors, if any) will vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such assignment or transfer the Warrants will be forfeited with no compensation due therefor and the agreement with the Participant regarding the grant of Warrants will terminate and have no further force or effect.

2.8.2 Med forbehold for de i disse vilkår angivne indskrænkninger i relation til overdragelse af Warrants, er tildelingen af Warrants bindende for Deltageren og Deltagerens bobestyrer, værge og de(n) person(er), som Warrants kan overdrages til ved testamente, gældende arvelovgivning eller på anden vis.

Subject to the restrictions on transfer of the Warrants set forth in these terms, the grant of Warrants will be binding upon the Participant and the Participant's beneficiaries, executors, administrators and the person(s) to whom the grant of Warrants may be transferred by will, the laws of descent or distribution or otherwise.

2.9 JUSTERING AF WARRANTS I TILFÆLDE AF ÆNDRINGER I SELSKABETS KAPITALFORHOLD

ADJUSTMENTS OF THE WARRANTS IN CASE OF CHANGES to THE COMPANY'S CAPITAL

2.9.1 For at undgå udvanding eller forøgelse af Deltagernes rettigheder som følge af rekapitalisering, aktiesplit eller sammenlægning af aktier, reorganisering, spaltning, fusion, konsolidering, spin-off, sammenlægning, opløsning, ombytning af aktier eller lignende selskabsretlige transaktioner eller begivenheder, der påvirker aktierne,

In order to prevent dilution or enlargement of the rights of Participants as a result of any recapitalization, forward or reverse share split, reorganization, division, merger, consolidation, spin-off, combination, dissolution, division, share exchange or other similar corporate transaction or event that affects the shares, the board of directors or a committee set up by the

skal selskabets bestyrelse eller et eventuelt udvalg nedsat af bestyrelsen justere, rekapitalisere eller ændre (a) antallet af aktier og typen af aktier, der kan tegnes i henhold Warrants, herunder ADRs og ADSs vedrørende sådanne aktier, og/eller (b) udnyttelseskursen som angivet i Vedtægtsbestemmelsen, dog således at der ikke skal foretages justering ved udstedelse af warrants (eller andre værdipapirer, herunder også aktier tegnet ved udnyttelse af warrants) til andre ansatte, ledelsesmedlemmer, bestyrelsesmedlemmer og konsulenter hos selskabet og/eller dets datterselskaber eller koncernselskaber (selv hvis sådanne warrants har en udnyttelseskurs, der er lavere end markedskursen på de underliggende aktier, herunder ADRs og ADSs vedrørende disse aktier, på tildelingstidspunktet). Det præciseres, at i tilfælde af en ændring i Selskabets kapitalforhold som følge af (i) en kapitalforhøjelse (herunder men ikke begrænset til udstedelse af yderligere aktier eller andre værdipapirer i selskabet, eller warrants til tegning af aktier i selskabet), (ii) en kapitalnedsættelse (herunder men ikke begrænset til ethvert tilbagekøb af aktier i selskabet eller annullering eller opsigelse/ophævelse af warrants til tegning af aktier i selskabet), (iii) en udstedelse af fondsaktier eller

board of directors, if any, shall adjust, recapitalize or modify (a) the number and kind of shares, including, without limitation, any ADRs and ADSs in respect of any such shares, which may thereafter be issued in connection with the Warrants, and/or (b) the exercise price relating to the Warrants and set out in the Article, provided however that no such adjustment shall take place merely as a result of the issuance of warrants (or other awards, including also shares subscribed for by exercise of warrants) to other employees, members of the management, members of the board of directors, and consultants of the company and/or its subsidiaries or affiliates (even if such warrants have an exercise price less than fair market value of the underlying shares, including, without limitation, any ADRs and ADSs in respect of any such shares, on the grant date). For the sake of clarity, in the event of a change in the company's capital structure by reason of (i) a capital increase (including, without limitation, the issuance of additional shares of the company and warrants to subscribe for shares of the company), (ii) a capital decrease (including, without limitation, any repurchase of shares of the company or the cancellation or termination of warrants to subscribe for shares of the company), (iii) an issuance of bonus or compensatory shares of the company, (iv) an issuance of convertible

gratisaktier, (iv) en udstedelse af konvertible gældsbreve i selskabet, eller (v) udbyttebetalinger, skal hverken udnyttelseskursen eller antallet af aktier, der kan tegnes i henhold til de tildelte Warrants, justeres, medmindre andet specifikt fremgår af Vedtægtsbestemmelsen. Vilkårene i foregående sætning finder anvendelse selv hvis dispositionen, der giver anledning til en sådan

debt instruments of the company, or (v) dividends, neither the exercise price of the Warrants or the number of shares which may be subscribed pursuant to the Warrants shall be adjusted unless otherwise specifically provided for in the Article. The terms of the immediately preceding sentence shall apply even if the transaction giving rise to such change in the company's capital structure shall

ændring i selskabets kapitalforhold, sker til en kurs, der er lavere end markedskursen på selskabets aktier på tidspunktet for dispositionen.

take place at a price below the fair market value of the company's shares at the time of the transaction.

2.10 SKAT

2.10 TAXES

2.10.1 Deltageren er forpligtet til at betale selskabet den eventuelle kildeskat, som selskabet måtte blive opkrævet i relation til Warrants eller udnyttelsen heraf (og selskabet er berettiget til at fratrække et sådant beløb i ethvert vederlag, der udbetales til Deltageren), ligesom Deltageren skal foretage alle øvrige foranstaltninger som bestyrelsen eller et eventuelt udvalg nedsat af bestyrelsen finder nødvendige for at opfylde alle forpligtelser i relation til betalingen af kildeskat.

2.10.1 The Participant shall be required to pay to the company (and the company shall have the right to deduct from any compensation payable to the Participant), the amount of any required withholding taxes in respect of the Warrants or the exercise thereof and to take all such other action as the board of directors or a committee set up by the board of directors, if any, deems necessary to satisfy all obligations for the payment of such withholding taxes.

2.11 MEDDELELSER

2.11 NOTICES

2.11.1 Enhver meddelelse, der skal leveres til selskabet i relation til tildeling eller udnyttelse af Warrants, skal være

2.11.1 Any notice required to be delivered to the company in regard to the grant or exercise of Warrants shall be in writing

skriftlig og rettes til Selskabets CEO på selskabets hovedkontor. Enhver meddelelse, der skal leveres til Deltageren i relation til tildeling eller udnyttelse af Warrants, skal være skriftlig og rettes til Deltageren på Deltagerens adresse som angivet i selskabets protokoller. Hver part kan skriftligt (eller på en anden af selskabet godkendt måde) angive en anden adresse.

and addressed to the company's CEO at the company's principal corporate offices. Any notice required to be delivered to the Participant in regard to the grant or exercise of Warrants shall be in writing and addressed to the Participant at the Participant's address as shown in the records of the company. Either party may designate another address in writing (or by such other method approved by the company) from time to time.

2.12 LOVVALG

2.12 GOVERNING LAW

2.12.1 Vilkårene for tildelingen og udnyttelsen af Warrants skal fortolkes i overensstemmelse med dansk ret.

2.12.1 The grant and exercise of Warrants will be construed and interpreted in accordance with the laws of Denmark.

2.13 ÆNDRINGER

2.13 AMENDMENTS

2.13.1 Selskabets bestyrelse eller et eventuelt udvalg nedsat af bestyrelsen, kan ændre, suspendere, afbryde eller annullere aftalen med Deltageren om tildelingen af Warrants fremadrettet eller med tilbagevirkende kraft, idet en sådan ændring mv. dog ikke uden Deltagerens samtykke må påvirke Deltagerens væsentlige rettigheder, for så vidt angår tildelingen og udnyttelsen af Warrants, negativt.

2.13.1 The company's board of directors or a committee set up by the board of directors, if any, has the right to amend, alter, suspend, discontinue or cancel the agreement with the Participant regarding the grant of Warrants, prospectively or retroactively; provided that, no such amendment etc. shall adversely affect the Participant's material rights in regard to the grant and exercise of Warrants without the Participant's consent.

3 GENERELLE VILKÅR FOR KAPITALFORHØJELSER

3 GENERAL TERMS FOR CAPITAL INCREASES

3.1 Udover de under punkt 1 anførte

3.1 In addition to the terms and conditions

vilkår for den til de udstedte Warrants hørende kapitalforhøjelse gælder følgende vilkår:

set forth under clause 1, the increase of the share capital relating to the warrants granted shall be subject to the following terms and conditions:

- De nye aktier udstedes i aktier à DKK 0,10 eller multipla heraf,
- The new shares will be divided into shares of nominally DKK 0.10 or multiples hereof;
- De nye aktier skal give ret til udbytte i selskabet for det løbende regnskabsår, hvori aktierne tegnes, på lige fod med de eksisterende aktier og andre rettigheder i selskabet fra og med datoen for tegningen af aktierne,
- The new shares will carry dividend rights for the financial year in which subscription takes place on equal terms with the existing shares as well as other rights in the company as from the day of subscription of the shares;
- De nye aktier skal tilhøre samme aktieklasse, som de eksisterende aktier i selskabet,
- The new shares shall belong to the same share class as the existing shares in the company;
- Kapitalforhøjelsen sker uden fortegningsret for de hidtidige aktionærer, idet tegningen sker på baggrund af warrants udstedt til selskabets eller dets datterselskabers medarbejdere, direktionsmedlemmer, bestyrelsesmedlemmer og konsulenter,
- The capital increase shall be made without any pre-emption rights for the existing shareholders, given that the subscription is based on warrants issued to the company's or its subsidiaries' employees, members of the management, members of the board of directors, and consultants ;
- Der skal ikke gælde indskrænkninger i den til de nye aktier knyttede fortegningsret
- The pre-emption rights attached to the new shares shall not be subject to any restrictions in the event of future capital

increases;

ved fremtidige kapitalforhøjelser,

- Fristen for tegning af de nye aktier beregnes på baggrund af bestemmelserne i punkt 2,
- Det fulde beløb til tegning af det antal aktier, som de omfattede medarbejdere mv. ønsker at tegne, skal indbetales kontant og senest samtidig med tegningen af de pågældende aktier,
- De nye aktier skal lyde på navn, noteres i selskabets ejerbog og være ikke-omsætningspapirer.
- De anslåede omkostninger, der skal afholdes af selskabet ved kapitalforhøjelsen, udgør DKK 20.000 + moms.

***

Seneste ændring af vedtægterne, inklusive bilag, blev vedtaget den 29. marts 2017.

- The deadline for subscription of the new shares shall be calculated pursuant to the provisions in clause 2;
- The full subscription amount for the number of shares which the employees etc. wish to subscribe for, shall be paid in cash no later than on the day of subscription of the shares in question;
- The new shares shall be made out in the name of the holder, be recorded in the company's register of shareholders and be non-negotiable instruments.
- The estimated costs to be borne by the company in connection with the capital increase are approximately DKK 20,000 + VAT.

***

Latest amendment of the articles of association, including appendices, was resolved on 29 March 2017.

EXECUTION VERSION

SETTLEMENT AND LICENSE AGREEMENT

among

Biogen Swiss Manufacturing GmbH,

Biogen International Holding Ltd.,

Forward Pharma A/S

and

Each of the Parties Listed on Appendix I

Dated as of January 17, 2017

TABLE OF CONTENTS

SETTLEMENT AND LICENSE AGREEMENT (this "Agreement") dated as of the Agreement Date (as defined below), among each of the following Parties:

Biogen Swiss Manufacturing GmbH, organized and existing under the Laws of Switzerland, having its principal place of business at Landys & Gyr Strasse 3, 6300 Zug, Switzerland ("U.S. Licensee");

Biogen International Holding Ltd., organized and existing under the Laws of Bermuda, having its registered office at 22 Victoria Court, Hamilton, Bermuda ("Designated Countries Licensee" and together with the U.S. Licensee, "Licensee");

Forward Pharma A/S, organized and existing under the Laws of Denmark, having its principal place of business at Østergade 24A, 1100 Copenhagen K, Denmark ("Licensor"); and

Each of the parties Listed on Appendix I (the "Additional Parties") (each of the foregoing, a "Party" and collectively, the "Parties" hereunder).

RECITALS

WHEREAS Biogen Inc. ("Biogen") and/or its Affiliates and Licensor are engaged in the following disputes, *inter alia:* (i) the Interference Proceeding (as defined below); (ii) the European Opposition Proceeding (as defined below); (iii) the opposition Licensor has filed against Biogen's Affiliate Biogen MA Inc.'s European patent EP 2 137 537 (Application No. 8 725 256.5) at the European Patent Office; and (iv) the suits Licensor has filed in Germany under European patent EP 2 801 355 (Application No. 20140172398) and German Utility Model DE202005002112U1 against Biogen and/or its Affiliates;

WHEREAS Licensor and Licensee desire to reduce the expense and uncertainty of litigating their claims and have determined to resolve their disputes as set forth in this Agreement, including permitting the USPTO (as defined below) and the U.S. Court of Appeals for the Federal Circuit, as applicable, to make a determination of the Interference Proceeding to ensure that the applicable patentability and priority decisions are made according to U.S. Law and the European Patent Office and the Technical Board of Appeal and/or the Enlarged Board of Appeal, as applicable, to make a determination of the European Opposition Proceeding (as defined below) to ensure that the applicable patentability decisions are made according to European Union law;

WHEREAS Licensor and the Additional Parties wish to grant, and Licensee wishes to accept, the releases and the licenses to certain Intellectual Property (as defined below) granted herein;

WHEREAS, as of the Agreement Date (as defined below), the Boards of Directors of Licensee have approved this Agreement and the Transactions (as defined below), including the Licenses (as defined below), on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, as of the Agreement Date, the respective Boards of Directors (or similar governing bodies) of the Additional Parties have approved this Agreement and the Transactions (as defined below), including the Licenses (as defined below), on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, as of the Effective Date (as defined below) at a duly called and convened Licensor Shareholders' Meeting (as defined below), Licensor obtained Licensor Shareholder Approval (as defined below); and

WHEREAS, as a condition and inducement to Licensee's willingness to enter into this Agreement, certain shareholders of Licensor (the "Specified Shareholders") entered into a shareholders commitment agreement (the "Shareholders Commitment Agreement") in connection with the Transactions;

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the sufficiency and receipt of which are hereby acknowledged, without admitting any liability on any claim or counterclaim asserted in any Litigation or any other wrongdoing whatsoever, the Parties, intending to be legally bound hereby, agree as follows:

ARTICLE I

Agreed Terms

SECTION 1.01. Definitions.

"Aditech Addendum" means the form of addendum between Licensor on the one hand and Aditech Pharma AG ("Aditech") on the other hand, attached hereto as Appendix F, to which Licensee and each of its Affiliates shall be third party beneficiaries.

"Aditech Letter Agreement" means the letter agreement, dated as of the Agreement Date, between Licensor on the one hand and Aditech on the other hand.

"Affiliate" of any Person means another Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person. For purposes of this definition, "control" (including the terms "controlled by" and "under common control with"), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of shares of share capital or other equity or voting interests, by Contract or otherwise, including the ownership, directly or indirectly, of shares of share capital or other equity or voting interests having the power to elect a majority of the board of directors or comparable body governing the affairs of such Person. Such other Person shall be deemed to be an Affiliate only so long as such control exists. Notwithstanding the foregoing, none of (i) any entity not controlled by either Mr. Florian Schönharting or Licensor and (ii) any entity (or such entity's controlled Affiliates) listed on Appendix C, shall be an Affiliate of Licensor or of any Additional Party, or of any Licensor Releasing Party for purposes of this Agreement.

"Agreement Date" shall mean January 17, 2017.

"ANDA" means an abbreviated new drug application filed with the FDA, pursuant to its rules and regulations (or any equivalent or replacement mechanism).

"API" means an active pharmaceutical ingredient.

"Authorized Generic" means a generic product indicated for the treatment of a human for multiple sclerosis that is therapeutically equivalent to, and substitutable for an Infringing Product by orally administering *dimethyl fumarate*, wherein the therapeutically effective amount of *dimethyl fumarate* is 480 mg per day, that is (a) sold by or on behalf of Licensee or any of Licensee's Affiliates, or its or their respective sublicensees, or (b) authorized by Licensee or any of Licensee's Affiliates or its or their respective sublicensees by license, covenant not to sue, settlement agreement, release or by any other arrangement or means (including with respect to ANDA filers) (i) for distribution in the U.S. under New Drug Application No. 204063 and/or any and all amendments or supplements thereto; or (ii) for distribution in a Designated Country.

"Business Day" means any day except a Saturday, a Sunday or other day on which the banks in the City of New York or Denmark are authorized or required by Law to be closed.

"Combination Products" means the Designated Country Combination Products and the U.S. Combination Products.

"Companies Act" means the Danish Act on Public and Private Limited Companies, as amended from time to time *(Selskabsloven).*

"Confidential Intellectual Property Information" means any Intellectual Property, information or data, in each case that is (i) confidential, (ii) related to or referencing the subject matter of the Licensed Intellectual Property, (iii) not protected by the attorney client privilege or work product immunity and (iv) not generally known, including any know-how, unpublished research, unpatented inventions, scientific or technical data, including all related ideas, concepts, methods, inventions, discoveries, data, formulae, processes, techniques, specifications, trade secrets and like technical information of a confidential nature in whatever form held, such as paper, electronically stored data, magnetic media film and microfilm and any material communications with or from any Third Parties.

"Contract" means any contract, agreement, deed, lease or similar instrument, and any legally binding obligation, commitment, arrangement or understanding, whether written or oral.

"Designated Countries" means every country in the world other than the United States.

"Designated Countries License Term" means the period beginning upon the date Licensor receives the Designated Countries Upfront Fee and continuing perpetually.

"Designated Countries Royalty Term" means the period beginning upon the date Licensor receives the Designated Countries Upfront Fee and ending on the expiration of the last to expire (or be invalidated in entirety by a final court ruling, from which no appeal can be taken or is timely taken) of the Patents (a) included in the Licensed Intellectual Property and (b) owned, registered or otherwise protected or enjoyable under the Laws of the Designated Countries.

"Designated Countries Upfront Fee" means an amount equal to USD$207,750,000.

"Designated Country Combination Product" means any fixed dose Designated Country Infringing Product that incorporates more than one API, at least one of which is not recited in a claim of a Patent included in the Designated Countries Licensed Intellectual Property, and has a duly authorized and valid marketing authorization.

"Designated Countries Royalty Consideration" has the meaning set forth in Section 4.03.

"Designated Country Generic Equivalent" means any product used, sold, offered for sale or imported in a Designated Country that is (a) both bioequivalent and therapeutically equivalent to, and substitutable for, an Infringing Product in such Designated Country, (b) not an Authorized Generic and (c) indicated for the treatment of multiple sclerosis.

"Designated Country Infringing Product" has the meaning set forth in Section 4.03.

"Effective Date" shall mean the date on which all Countersignatures (as defined in the Letter Agreement) have been released from escrow pursuant to and in accordance with the terms of the Letter Agreement.

"European Opposition Proceeding" means the Opposition against Licensor's European patent EP 2801355 (Application No. 14172398.1) at the European Patent Office, including any appeals therefrom to the Technical Board of Appeal and/or the Enlarged Board of Appeal.

"Exclusive U.S. License Consideration" means one hundred thousand U.S. Dollars (USD$100,000).

"FDA" means the Food and Drug Administration of the United States, including any successor agency thereto.

"GAAP" means U.S. generally accepted accounting principles, consistently applied.

"Governmental Entity" means (i) any legislative, judicial or administrative authority, including any federal, state, local or foreign government (including, in each case, any self-regulatory organization), (ii) any court of competent jurisdiction, administrative agency or

commission or other governmental authority or instrumentality, domestic or foreign or (iii) any officials of any of the entities set forth in subclauses (i) or (ii).

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

"Infringed Claim" means (i) any extant claim of a Relevant Patent or (ii) any extant claim of a Patent included in the Licensed Intellectual Property, that, in each case, but for the rights granted pursuant to this Agreement, would be infringed by the making, using, sale, offering for sale, importation, exportation or supply of a product indicated for the treatment of multiple sclerosis having *dimethyl fumarate* as an API.

"Infringing Products" means the Designated Country Infringing Products and the U.S. Infringing Products.

"Intellectual Property" means (i) all Patents; (ii) any and all trademark rights in "FP-187", including those trademark rights listed in Appendix A, together with all goodwill associated therewith (including all translations, adaptations, derivations and combinations of the foregoing); (iii) copyrights and copyrightable works; (iv) registrations, applications, renewals, reissues, continuations, continuations in part, divisions, revisions, extensions or reexaminations for any of the items set forth in clause (i), (ii) or (iii); (v) any Licensor proprietary computer software; and (vi) trade secrets, confidential information, know-how, regulatory, market and data clearance or exclusivity information (including with respect to regulatory filings relating to investigational or approved medicines), drug master files, clinical data, models, assays, testing data and the like, in each of the foregoing clauses (i) through (vi), in any jurisdiction in the world, relating to the treatment of any human disease or condition, and in each of the foregoing clauses (ii), (iii), (iv), (v), and (vi) , only to the extent used or planned by Licensor for use in connection with *dimethyl fumarate;* provided that Intellectual Property shall not include any voicemails, or any emails that have been or will be deleted in accordance with the owner's retention policies in effect prior to the Agreement Date.

"Interference Proceeding" means the interference proceeding at the Patent Trial and Appeal Board of the USPTO (the "PTAB") having the caption: *Biogen MA Inc. v. Forward Pharma A/S*, Interference 106,023 (PTAB Declared Apr. 13, 2015), including any appeals therefrom to the Federal Circuit (including any *en banc* review).

"Laws" means, collectively, any applicable statute, law, ordinance, decree, order, rule, regulation, treaty, principle of common law, directive, resolution, code, stock exchange rule, judgment, ruling, injunction or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Entity.

"Letter Agreement" means the letter agreement, dated as of the Agreement Date, between Licensor and Licensee.

"Licensed Intellectual Property" means all Intellectual Property anywhere in the Territory owned or controlled by Licensor, any of Licensor's controlled Affiliates or, with respect to Relevant Patents and related Intellectual Property only, the Additional Parties or under which Licensor, any of Licensor's controlled Affiliates or the Additional Parties has the

right to grant a license, as of the Agreement Date, and any Intellectual Property issuing from, based on, relating back to or claiming priority to any of the foregoing, including all such foregoing Intellectual Property (a) related to the treatment of any human disease or condition using *dimethyl fumarate;* (b) related to Licensor's FP-187 product, including any and all Patents, Confidential Intellectual Property Information, regulatory exclusivity (including any period of data or marketing exclusivity) or regulatory clearance related thereto and all other Intellectual Property rights related to Licensor's FP-187 product, (c) relating to the manufacture, formulation, method or means of delivery or administration of any therapeutic product for the treatment of any human disease or condition using *dimethyl fumarate* and (d) included in Appendix A hereto.

"Licensed Intellectual Property Rights" means any and all statutory and common law rights throughout the Territory in the Licensed Intellectual Property.

"Licensed Patents" means the Patents included in the Licensed Intellectual Property.

"Licensed Product" means any product made, used, sold, offered for sale or imported by or on behalf of Licensee, any of Licensee's Affiliates or any of its or their respective sub-licensees and indicated for the treatment of multiple sclerosis that includes as an API a fumaric acid ester such as, by way of nonlimiting example, *dimethyl fumarate* or *monomethyl fumarate.* For clarity, and by way of nonlimiting example, Licensed Product includes Tecfidera and any Authorized Generic.

"License Term" means, collectively, the U.S. License Term and the Designated Countries License Term.

"Licenses" means the Co-Exclusive U.S. License, the Exclusive U.S. License and the Exclusive Designated Countries License.

"Licensor Articles" means the articles of association of Licensor as amended from time to time.

"Licensor Ordinary Shares" means the ordinary shares of Licensor, nominal value 0.10 DKK per share.

"Lien" means any lease, license, mortgage, deed of trust, pledge, lien, charge, hypothecation, option to purchase or otherwise acquire any interest, right of first refusal or offer or security interest, or any encumbrance created by any act of, or Contract entered into by, Licensor or any of its controlled Affiliates, of any kind or nature whatsoever, provided that none of (i) the Interference Proceeding, (ii) the European Opposition Proceeding or (iii) the Litigation involving Licensor's European patent EP 2 801 355 (Application No. 20140172398)) shall be considered a "Lien".

"Litigation" means any demand, suit, claim, counterclaim, action, cause of action, administrative action, arbitration, investigation, assessment or proceeding of any kind including any opposition proceeding.

"Net Sales" means the gross amount invoiced by Licensee, its Affiliates or sublicensees for the sale or other disposition of an Infringing Product in a country to Third Parties (including distributors, wholesalers and end-users), less the following deductions (such deductions, collectively, "Sales Returns and Allowances"):

(a) sales returns and allowances actually paid, granted or accrued on Infringing Products, including trade, quantity, prompt pay and cash discounts and any other adjustments, including those granted on account of price adjustments or billing errors;

(b) credits or allowances given or made for rejection, recall, return or wastage replacement of, and for uncollectible amounts on, Infringing Products or for rebates or retroactive price reductions (including Medicare, Medicaid, managed care and similar types of rebates and chargebacks);

(c) taxes, duties or other governmental charges levied on or measured by the billing amount for Infringing Products, as adjusted for rebates and refunds, including pharmaceutical excise taxes (such as those imposed on an Infringing Product by the United States Patient Protection and Affordable Care Act of 2010 and other comparable laws), but which shall not include any tax, duty, or other charge imposed on or measured by net income (however denominated) or any franchise taxes, branch profits taxes, or similar tax;

(d) charges for freight, customs and insurance directly related to the distribution of Infringing Products and wholesaler and distributor administration fees; and

(e) other future similar deductions, taken in the ordinary course of business and in accordance with applicable accounting standards and Licensee's standard practices.

Net Sales shall not be imputed to transfers of Infringing Products without consideration or for nominal consideration for use in any clinical trial, or for any charitable, compassionate use or indigent patient program purpose where Infringing Products are sold or provided. For the avoidance of doubt, in the case of any transfer of any Infringing Product between or among Licensee and its Affiliates or sublicensees for resale, Net Sales shall be determined based only on the sale made by such Affiliate or sublicensee to a Third Party.

Notwithstanding the foregoing, in the event an Infringing Product is sold in a country as a component of a *bona fide* fixed dose Combination Product, Net Sales shall be calculated by multiplying the Net Sales of the Combination Product (calculated in the same manner as set forth above as if the Combination Product were an Infringing Product) in such country by the quotient *m/n*, where *m* equals the number of APIs in such Combination Product that would infringe a Patent included in the Licensed Intellectual Property and *n* equals the total number of APIs in such Combination Product.

"Patents" means all patents, patent applications, patent disclosures and inventions, including any reissues, reexaminations, replacements, continuations, continuations-in-part,

divisionals, adjustments or extensions thereof or any other periods of exclusivity that extend the patent term (statutory or otherwise), including pediatric exclusivities and supplementary protection certificates, in any jurisdiction in the world.

"Patent Transfer Agreement" means the Patent Transfer Agreement between Aditech Pharma AG and Forward Pharma A/S, dated as of May 4, 2010.

"Permitted Lien" means such Liens as are set forth in Appendix G.

"Person" means any individual, partnership, association, corporation, limited liability company, trust, governmental authority or other legal person or legal entity.

"Released Matters" means any and all claims, demands, damages, debts, liabilities, obligations, costs, expenses (including attorneys' and accountants' fees and expenses), actions and causes of action of any nature whatsoever, both at law and in equity, known or unknown, suspected or unsuspected, arising from the beginning of time to the Effective Date, that any Licensee Releasing Party or Licensor Releasing Party has as of the Effective Date, or at any time previously had, relating to either the treatment of multiple sclerosis or *dimethyl fumarate*, including Appeal T 1773/16-3.3.02 regarding the Opposition against Licensee's European patent EP 2 137 537 (Application No. 8 725 256.5) at the European Patent Office, the Litigation involving Licensor's European patent EP 2 801 355 (Application No. 20140172398), the challenge to the validity of Licensor's German Utility Model DE202005002112U1 by Licensee and the Litigation involving Licensor's German Utility Model DE202005002112U1; provided that Released Matters shall not include any of the foregoing to the extent relating to or arising out of (i) the Interference Proceeding, (ii) the European Opposition Proceeding (notwithstanding the inclusion in Released Matters of the Litigation involving Licensor's European patent EP 2 801 355 (Application No. 20140172398)) or (iii) any right, benefit or obligation of Licensor, the Additional Parties or Licensee under this Agreement.

"Relevant Patent" means, on a country-by-country basis, any Patent rights in force in such country that include at least one extant claim covering treatment of a human for multiple sclerosis by orally administering *dimethyl fumarate*, wherein the therapeutically effective amount of *dimethyl fumarate* is 480 mg per day.

"Royalty Consideration" means the Designated Countries Royalty Consideration and the U.S. Royalty Consideration.

"Royalty Term" means the Designated Countries Royalty Term and the U.S. Royalty Term.

"SEC" means the U.S. Securities and Exchange Commission, or any successor Governmental Entity.

"Shareholder Meeting Materials" means, collectively, (a) the cover letter to the Notice of Meeting to the shareholders; (b) the Notice of Meeting and Licensor's Board of Directors' full proposal for adoption at the Licensor Shareholders' Meeting, (c) information about the total number of shares and voting rights on the date of the notice; (d) the documents to

be presented at the general meeting, including this Agreement and the Aditech Addendum, (e) the form to be used for request for admission to the general meeting; and (f) the forms to be used for voting by proxy or voting by correspondence.

"Subsidiary" of any Person means any other Person, if any, (a) more than 50% of whose outstanding shares of capital stock or other equity or voting securities or interests representing the right to vote for the election of directors or other managing authority of such other Person are, at the time of such determination, owned or controlled, directly or indirectly, by such first Person, but such other Person shall be deemed to be a Subsidiary only so long as such ownership or control exists, or (b) which does not have outstanding shares of capital stock or other equity or voting securities or interests with such right to vote, as may be the case in a partnership, joint venture or unincorporated association, but more than 50% of whose ownership interest representing the right to make the decisions for such other Person is, at the time of such determination, owned or controlled, directly or indirectly, by such first Person, but such other Person shall be deemed to be a Subsidiary only so long as such ownership or control exists.

"Tecfidera" means the product sold as of the Agreement Date by Licensee under Licensee's tradename and marketing authorization for its oral formulation of *dimethyl fumarate* indicated for the treatment of multiple sclerosis at the recommended dose of 480 mg/day associated with NDA No. 204063 and equivalent approvals in Designated Countries.

"Territory" means, collectively, the United States and the Designated Countries.

"Third Party" means any Person other than any Party or its Affiliates.

"Transactions" means the transactions contemplated by this Agreement, including the Licenses.

"TUPE Regulations" means the Danish Consolidation Act no. 710 of August 20, 2002, any other current or subsequent legislation based upon EU Directives 77/187 and 98/50 or any other applicable Law similar to any of the foregoing.

"United States" means all states and territories of the United States of America.

"Upfront Fee" means the Designated Countries Upfront Fee and the U.S. Upfront Fee.

"U.S. Combination Product" means any fixed dose U.S. Infringing Product that incorporates one or more APIs, at least one of which is not recited in a claim of a Patent included in the U.S. Licensed Intellectual Property and which is regulated by the FDA as either (i) a fixed-combination prescription drug as defined in 21 C.F.R. 300.5 (Fixed-combination prescription drugs for humans) (or any equivalent or replacement regulation) or (ii) a Combination Product as set forth in 21 CFR 3.2(e)(1) (or any equivalent or replacement definition).

"U.S. Generic Equivalent" means a product used, sold, offered for sale or imported in the United States (a) that is approved by the FDA pursuant to an ANDA filed under

21 U.S.C. §355(j) using New Drug Application No. 204063 as the reference product and (b) that is not an Authorized Generic.

"U.S. Infringing Product" has the meaning set forth in Section 4.02.

"U.S. License Term" means the period beginning upon the date Licensor receives the U.S. Upfront Fee and continuing perpetually.

"U.S. Patents" means all Patents owned, registered or otherwise protected or enjoyable under the laws of the United States.

"U.S. Royalty Consideration" has the meaning set forth in Section 4.02.

"U.S. Royalty Term" means the period beginning upon the date Licensor receives the U.S. Upfront Fee and ending on the expiration of the last to expire (or be invalidated in entirety by a final court ruling, from which no appeal can be taken or is timely taken) of the U.S. Patents included in the Licensed Intellectual Property.

"U.S. Upfront Fee" means an amount equal to USD$1,042,250,000.

"USPTO" means the United States Patent and Trademark Office.

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ARTICLE II

Covenants

SECTION 2.01. Release of Claims, Dismissal of Claims and Covenant Not To Sue. Effective from and after the Effective Date:

(a) Each Party hereby acknowledges and agrees that nothing herein shall be construed to be an admission of liability in connection with any Litigation. Each Party expressly denies any liability to any other Party related to any pending or ongoing Litigation between or among any of the Parties.

(b) Each of Licensor and the Additional Parties does for itself, its controlled Affiliates and its and its controlled Affiliates' successors and assigns, as applicable, (the "Licensor Releasing Parties"),

(i) fully, finally, absolutely and forever, throughout the Territory, release, relinquish, acquit and discharge Licensee and each of its predecessors, successors, assigns, administrators, attorneys, agents, shareholders, representatives, officers, directors, employees, trustees, parents, Subsidiaries, customers, suppliers, distributors, importers, manufacturers and insurers and each of their respective Affiliates (collectively, the "Licensee Released Parties") of, from and against any and all Released Matters, as applicable, anywhere in the Territory arising from the beginning of time to the Effective Date;

(ii) agree to undertake the necessary steps to withdraw with prejudice and no right to refile but with each party bearing its own costs and expenses in connection with the proceedings, promptly following the Effective Date, the (A) Litigation involving Licensor's European patent EP 2 801 355 (Application No. 20140172398) and (B) Litigation involving Licensor's German Utility Model DE202005002112U1 (the "German Proceedings"). The termination of such Litigation shall be effected by way of a waiver judgment ("Verzichtsurteil") following Licensor's waiver of all claims asserted and a subsequent "waiver judgment" of the court to be requested by Licensee. Licensor shall take, and shall cause each of its controlled Affiliates to take, any and all actions, including making any filings with any Governmental Entity, to effect such termination; and

(iii) covenant not to sue, not to assign to any other Person a right to sue and not to authorize any other Person to sue any Licensee Released Party for, any and all Released Matters, as applicable, anywhere in the Territory.

(c) Licensee does for itself, its controlled Affiliates and its and its controlled Affiliates' successors and assigns (the "Licensee Releasing Parties"),

(i) fully, finally, absolutely and forever, throughout the Territory, release, relinquish, acquit and discharge Licensor and each of its predecessors, successors and assigns and each of their respective administrators, attorneys, agents, shareholders,

representatives, officers, directors, employees, trustees, parents, Subsidiaries, customers, suppliers, distributors, importers, manufacturers and insurers (collectively, the "Licensor Released Parties") of, from and against any and all Released Matters, as applicable, anywhere in the Territory arising from the beginning of time to the Effective Date;

(ii) agree to consent to the withdrawal from the German Proceedings described in Section 2.01(b)(ii) above; and

(iii) covenant not to sue, not to assign to any other Person a right to sue and not to authorize any other Person to sue any Licensor Released Party for, any and all Released Matters, as applicable, anywhere in the Territory.

(d) It is the intention of the Parties in executing the releases contained in this Section 2.01 and in giving and receiving the consideration called for in this Agreement, that the release contained in this Section 2.01 shall be effective as a full and final accord and satisfaction and general release of and from all Released Matters and the final resolution by the Parties, the Licensee Released Parties and the Licensor Released Parties (collectively, the "Released Parties") of all Released Matters. The invalidity or unenforceability of any part of this Section 2.01 shall not affect the validity or enforceability of the remainder of this Section 2.01 which shall remain in full force and effect. The releases granted in this Section 2.01 are ongoing, effective as of the Effective Date, and applicable to actions of any Released Party or occurring any time prior to or on the Effective Date.

(e) Each Party waives to the fullest extent permitted by Law the provisions and benefits of Section 1542 of the California Civil Code, which provides that: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement to the debtor," and all similar provisions and benefits under the Laws of all countries, states, provinces, and other political subdivisions throughout the Territory.

(f) Each Party hereby represents, warrants and covenants to the other Parties that neither it nor any of its controlled Affiliates (collectively, the "Releasing Parties") have, and Licensor hereby represents, warrants and covenants to the other Parties that none of the Additional Parties have, voluntarily or involuntarily assigned or transferred or purported to assign or transfer to any Person (other than a Subsidiary of such Person) any Released Matters and that no Person other than a Releasing Party has any interest in any Released Matter by Law or Contract or by virtue of any action or inaction by such Party or any of the Releasing Parties. Effective from and after the Effective Date, Licensor and the Additional Parties agree, severally but not jointly, to indemnify and hold harmless the Licensee Released Parties from and against all Litigation arising from any such alleged or actual assignment or transfer of such Released Matters by Licensor its controlled Affiliates or such Additional Party or its controlled Affiliates, respectively. Effective from and after the Effective Date, Licensee agrees to indemnify and hold harmless the Licensor Released Parties from and against all

Litigation arising from any such alleged or actual assignment or transfer of such Released Matters by a Licensee Releasing Party.

(g) Notwithstanding anything to the contrary in this Section 2.01, if Licensor has not received the Upfront Fee as required by Section 4.01, this Section 2.01 shall be null and void, *nunc pro tunc*.

SECTION 2.02. Intellectual Property Challenge or Contestation.

(a) Effective from and after the Agreement Date, the Parties hereby agree and covenant that, throughout the Territory, they shall not, and shall not agree or commit to, and shall cause their respective controlled Affiliates to not, and to not agree or commit to, (a) directly or indirectly challenge or contest in any Litigation, the validity or enforceability of any Intellectual Property owned or otherwise controlled by any of the Parties as of the Agreement Date relating to treating multiple sclerosis or of the Licensed Intellectual Property, or (b) assist any Third Party, directly or indirectly, to so challenge or contest in any such Litigation, except in each case (i) as the other Parties or such Affiliate may be compelled to respond to legal process in Litigation or proceedings initiated by a Third Party without any assistance or encouragement from any Party or any of their Affiliates or (ii) as related to the Interference Proceeding or the European Opposition Proceeding. In addition, Licensor and the Additional Parties shall not, and shall cause each of their respective controlled Affiliates not to, and shall not aid any Third Party to, oppose or object to any future amendments or supplements to NDA No. 204063.

(b) Notwithstanding anything to the contrary in this Section 2.02, if Licensor has not received the Upfront Fee as required by Section 4.01, this Section 2.02 shall be null and void, *nunc pro tunc*.

SECTION 2.03. Transfers of Intellectual Property; Liens. Effective from and after the Agreement Date, Licensor and the Additional Parties hereby agree and covenant that, throughout the Territory, they shall not, and shall cause each of their respective controlled Affiliates not to (i) sell, license, transfer, assign or otherwise dispose of, encumber or impair any Licensed Intellectual Property Rights except as permitted pursuant to and in accordance with Article III and/or Section 2.11, (ii) subject any Licensed Intellectual Property Rights to any Lien other than Permitted Liens (or authorize or allow any of the Licensed Intellectual Property Rights to become subject to any Lien other than Permitted Liens), (iii) enter into any Contract relating to the sale, licensing, transfer, disposition or assignment of any Licensed Intellectual Property Rights including any option related thereto; except, in the case of Licensor, to assign its Co-Exclusive rights pursuant to and in accordance with Section 3.01 or (iv) disclose to any Third Party, other than Representatives of Licensee under a confidentiality agreement or other legally binding duty of confidentiality, any Confidential Intellectual Property Information relating to the Licensed Intellectual Property in a way that results in a material loss of intellectual property protection for such Confidential Intellectual Property Information or any Licensed Intellectual Property. Licensor and the Additional Parties hereby agree and covenant that, throughout the Territory, they shall, and shall cause each of their respective controlled Affiliates to, comply in

all material respects with the terms of all third-party licenses and other obligations related to or included in the Licensed Intellectual Property.

SECTION 2.04. Access to Information; Confidentiality; Notification. Without limiting any other rights or obligations hereunder:

(a) Each of Licensor and the Additional Parties shall, and shall cause each of their respective controlled Affiliates to, give Licensee, and to Licensee's Affiliates and its and their respective officers and employees and, solely when acting in their capacity as the following, attorneys and other advisors and representatives (collectively, "Representatives"), reasonable access during normal business hours and on reasonable advance notice, from the Effective Date until the earliest of the end of the Royalty Term and the termination of this Agreement in accordance with its terms, to all of their respective Confidential Intellectual Property Information, books and records and Contracts relating to the ownership of or Licensee's rights in, to or under the Licensed Intellectual Property, and directors, officers, employees, contractors, consultants, attorneys, other advisors and representatives, in each case, to the extent related to the Licensed Intellectual Property; provided that in no event shall Licensor or the Additional Parties be required to provide any information that is subject to attorney-client privilege or work product immunity, to the extent (but only to the extent) that such privilege or immunity would reasonably be expected to be lost or reduced by disclosure to Licensee, or any Confidential Intellectual Property Information, in either case that is related to (i) the negotiation of this Agreement or any enforcement hereof or disputes hereunder (including establishing that a product is an Infringing Product), (ii) the Interference Proceeding or (iii) the European Opposition Proceeding, in each case prior to the conclusion of such matters; except that (A) in each case Licensor and the Additional Parties shall, and shall cause each of their respective controlled Affiliates to, use commercially reasonable efforts to provide the applicable information in a way, if any, that would not reasonably be expected to violate such privilege, as applicable, or materially adversely affect Licensor or the Additional Parties, as applicable, in the Interference Proceeding or the European Opposition Proceeding, as applicable; and (B) no investigation by Licensee or its Representatives shall affect or be deemed to modify or waive the representations and warranties of Licensor or the Additional Parties set forth in this Agreement. The Parties shall, and shall cause any of their respective applicable controlled Affiliates to, enter into a Joint Defense and Common Interest Agreement substantially in the form agreed upon by Licensor and Licensee and such other agreements as may be required to effectuate the purposes of this Agreement.

(b) Each Party shall keep confidential, and shall instruct its Representatives to keep confidential, information relating to the other Parties and their Affiliates provided by such other Parties or any of their Affiliates (each a "Disclosing Party" and, collectively with its respective Affiliates, the "Disclosing Parties") to such receiving Party or any of its Affiliates (a "Receiving Party" and, collectively with its respective Affiliates, the "Receiving Parties") and its Representatives pursuant to or in connection with this Agreement (the "Confidential Information"), except as may otherwise be requested or required by (i) applicable Law or stock exchange requirements

or (ii) judicial or legal process or by any Governmental Entity, in which case the Receiving Party will, to the extent permitted by applicable Law, provide the Disclosing Parties with prompt written notice of such requirement so that the Disclosing Parties may seek an appropriate protective order (at the Disclosing Parties' sole expense). For purposes hereof, "Confidential Information" shall not include any information that (A) was or

becomes generally available to the public other than as a result of a disclosure by the Receiving Party or any of its Representatives in violation of this Section 2.04(b), (B) was or becomes available to the Receiving Party or any of its Representatives from a source other than a Disclosing Party; provided that the provision of such information from such source is reasonably believed by the Receiving Party or its Representatives, as applicable, not to be subject to an obligation of confidentiality (whether by agreement or otherwise) to a Disclosing Party, (C) at the time of disclosure is already in the possession of the Receiving Party or any of its Representatives; provided that such information is reasonably believed by the Receiving Party or its Representatives, as applicable, not to be subject to an obligation of confidentiality (whether by agreement or otherwise) to a Disclosing Party or (D) was independently developed by the Receiving Party or any of its Representatives on the Receiving Party's behalf without reference to, incorporation of, or other use of any Confidential Information. The Parties acknowledge that Licensor will file this Agreement and the Aditech Addendum with the SEC promptly after the Agreement Date, and that Licensor will also on or after the Agreement Date make this Agreement and the Aditech Addendum publically available on its website as part of the Shareholder Meeting Materials.

SECTION 2.05. Commercially Reasonable Efforts; Notification. Effective from and after the Effective Date:

(a) Upon the terms and subject to the conditions set forth in this Agreement, each Party shall, and shall cause its controlled Affiliates to, use its commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable to consummate and make effective, as promptly as practicable, the Transactions, including (i) the obtaining of all necessary or advisable actions or non-actions, waivers, approvals, licenses, permits, orders or other authorizations and consents ("Consent") from, the making of all necessary registrations, declarations and filings with and the taking of all reasonable steps as may be necessary to avoid any Litigation by, any Governmental Entity or other Third Party with respect to this Agreement or the Transactions and (ii) the execution and delivery of any additional instruments necessary to consummate the Transactions and to fully carry out the purposes of this Agreement.

(b) Without limiting the generality of the Parties' obligations under Section 2.05(a), and in furtherance thereof, each of the Parties shall, and shall cause their respective controlled Affiliates to, in consultation and cooperation with the other, file with the United States Federal Trade Commission (the "FTC") and the United States Department of Justice (the "DOJ"), the notification and report form, if any, required under the HSR Act for any Transaction. Any such filings shall be in substantial

compliance with the requirements of the HSR Act. Each of the Parties shall, and shall cause each of their respective controlled Affiliates to, (i) furnish to the other Parties such necessary information and reasonable assistance as the other Parties may request in connection with its preparation of any filing or submission which is necessary under the HSR Act, (ii) give the other Parties reasonable prior notice of any such filings or submissions and, to the extent reasonably practicable, of any communication with, and any inquiries or requests for information from, the FTC, the DOJ or any other Governmental Entity regarding any of the Transactions, and permit the other Parties to review and discuss in advance, and consider in good faith the views of, and secure the participation of, the other Parties in connection with, any such filings, submissions, communications, inquiries or requests, (iii) unless prohibited by applicable Law or by the applicable Governmental Entity, and to the extent reasonably practicable, (A) not participate in or attend any meeting, or engage in any substantive conversation, with any Governmental Entity in respect of any of the Transactions without the other Parties, (B) give the other Parties reasonable prior notice of any such meeting or conversation, (C) in the event a Party is prohibited by applicable Law or by the applicable Governmental Entity from participating in or attending any such meeting or engaging in any such conversation, keep such Party apprised with respect thereto, (D) cooperate in the filing of any substantive memoranda, white papers, filings, correspondence or other written communications explaining or defending this Agreement or the Transactions, articulating any regulatory or competitive argument or responding to requests or objections made by any Governmental Entity and (E) furnish the other Parties with copies of all filings, submissions, correspondence and communications (and memoranda setting forth the substance thereof) between it and its controlled Affiliates and their respective Representatives, on the one hand, and any Governmental Entity or members of any Governmental Entity's staff, on the other hand, with respect to this Agreement or the Transactions, including promptly furnishing the other Parties with copies of notices or other communications received or provided by such Party, or any of its controlled Affiliates, from or to any Third Party and/or Governmental Entity and (iv) comply with any inquiry or request from the FTC, the DOJ or any other Governmental Entity as promptly as reasonably practicable; provided, however, that Licensee and its Affiliates shall not be obligated to comply with any requests for substantial additional information and documentary material from the FTC and/or DOJ (or any analogous request by any non-U.S. Governmental Entity), which, for the avoidance of doubt, includes any "second request" from the FTC and/or the DOJ. In addition, no Party shall, and each shall cause its respective controlled Affiliates not to, take any action with the intention to, or that could reasonably be expected to, hinder or delay the expiration or termination of any waiting period under the HSR Act or the obtaining of any approval required by applicable Law from any Governmental Entity. Notwithstanding the foregoing, (I) the Parties agree that it is Licensee's sole right to devise and implement the strategy for all filings, submissions, notifications and communications subject to this Section 2.05(b) ("Section 2.05(b) Matters"), including, in each case, the timing thereof, and to direct all Section 2.05(b) Matters with any Governmental Entity consistent with Licensee's obligations hereunder, provided, however, that, in the event the PTAB's determination in the Interference Proceeding (notwithstanding any appeal therefrom) results in the subsistence and ownership by Licensee (or an Affiliate of Licensee) of Patent US 8,399,514 B2 (and,

for the avoidance of doubt, does not result in Licensor obtaining a Relevant Patent), Licensee shall, subsequent to the issuance of such PTAB determination, consult with and consider in good faith the views of Licensor regarding the strategy for all Section 2.05(b) Matters, including, in each case, the timing thereof, and (II) each Party may, as each deems advisable and necessary, reasonably designate any competitively sensitive material provided to the other or its Affiliates under this Section 2.05(b) as "Counsel Only Material", which such material and the information included therein shall be given only to the in house and outside counsel of the recipient and will not be disclosed by such counsel to employees, officers or directors of the recipient unless express permission is obtained in advance from the source of the materials or its legal counsel. Notwithstanding anything to the contrary contained in this Section 2.05, materials provided pursuant to this Section 2.05 may be redacted to remove references concerning any Confidential Information, as necessary to comply with contractual arrangements and as necessary to address reasonable confidentiality concerns.

(c) Notwithstanding anything to the contrary set forth in this Agreement, neither Licensee nor any of its Affiliates shall be required to, and Licensor and the Additional Parties may not, and shall cause their respective controlled Affiliates not to, without the prior written consent of Licensee, consent to, or offer or agree to, or otherwise take any action with respect to, any requirement, condition, limitation, understanding or

agreement or order to (i) sell, license, grant an option or similar right under, assign, transfer, divest, hold separate or otherwise dispose of (A) in the case of Licensee or any of its Affiliates, any assets, business or portion of business of Licensee or any of its Affiliates and (B) in the case of Licensor, the Additional Parties or any of their respective Affiliates, any Licensed Intellectual Property, (ii) conduct, restrict, operate, invest or otherwise change in any manner (A) in the case of Licensee or any of its Affiliates, any assets, business or portion of business of Licensee or any of its Affiliates and (B) in the case of Licensor, the Additional Parties or any of their respective Affiliates, any Licensed Intellectual Property, (iii) impose any restriction, requirement or limitation on the operation of the business or portion of the business of Licensee or any of its Affiliates or (iv) modify any provision or term of this Agreement, the Aditech Addendum, the Patent Transfer Agreement or any other Contract with respect to the Licensed Intellectual Property (any of the foregoing, a "Burdensome Condition"). In addition, notwithstanding anything to the contrary set forth in this Agreement, (x) neither Licensee nor any of its Affiliates shall be required to defend or contest any Litigation, whether judicial or administrative, challenging this Agreement or the consummation of the Transactions, including seeking to have any stay or temporary restraining order entered by any court or other Governmental Entity vacated or reversed and (y) Licensor and the Additional Parties may not, and shall cause their respective controlled Affiliates not to, without the prior written consent of Licensee, defend or contest any Litigation whether judicial or administrative, challenging this Agreement or the consummation of the Transactions on antitrust or competition law grounds, including seeking to have any stay or temporary restraining order entered by any court or other Governmental Entity vacated or reversed. If requested by Licensee (x) Licensor and the Additional Parties shall, and shall cause their respective controlled Affiliates to become subject to, consent to, or offer or agree to, or otherwise take any action with respect to, any such

requirement, condition, limitation, understanding, agreement or order of any Governmental Entity so long as such requirement, condition, limitation, understanding, agreement or order is only binding on Licensor, the Additional Parties and their respective applicable controlled Affiliates if the Transactions are consummated and (y) prior to the U.S. Outside Date, Licensor and the Additional Parties shall, and shall cause each of their respective controlled Affiliates to, at each of their own respective cost and expense, defend or contest any Litigation referred to in clause (y) of the second sentence of this Section 2.05(c).

SECTION 2.06. Public Announcements. Effective from and after the Agreement Date, the Parties shall consult with each other before issuing, and provide each other the opportunity to review and comment upon, any press release or other public statements with respect to this Agreement, the Aditech Addendum or the Transactions or the transactions contemplated by the Aditech Addendum, and shall not issue any such press release or make any such public statement without the prior consent of the other (which consent shall not be unreasonably withheld, delayed or conditioned), except (a) as required by applicable Law, judicial or legal process or by obligations pursuant to any listing agreement with any securities exchange or the SEC; or (b) for press releases or other public statements which only include information relating to this Agreement or the Transactions that has been previously made public in accordance with the terms of this Agreement or (c) announcement of the Notice of Meeting on Licensor's website or otherwise in accordance with Licensor Articles. The Parties agree that the initial press release to be issued with respect to the Transactions shall be in the form heretofore agreed to by the Parties in writing.

SECTION 2.07. No Frustration. Effective from and after the Agreement Date, Licensor and the Additional Parties shall not take, and shall cause each of their respective controlled Affiliates not to take, any action that would, or would reasonably be expected to, (i) result in any condition set forth in Article VI not being promptly satisfied or (ii) impair the ability of Licensor or any of the Additional Parties or any of their respective Affiliates to perform its obligations under this Agreement or prevent or impede, interfere with, hinder or delay (A) the consummation of any of the Transactions, (B) the performance of any of the Transactions following the Agreement Date or (C) Licensee, its Affiliates or sublicensees from realizing the benefits of the Licenses. For the avoidance of doubt, Licensor and the Additional Parties shall not take, and shall cause each of their respective controlled Affiliates not to take, any action permitted under the terms of the Licenses if such action would, or would reasonably be expected to, impede, interfere with, hinder or delay Licensee, its Affiliates or sublicensees from realizing the benefits of the Licenses.

SECTION 2.08. Existence. Effective from and after the Agreement Date, Licensor and, for so long as they retain any right in any Licensed Intellectual Property, the Additional Parties, if any, having any right in any of the Licensed Intellectual Property shall, and shall cause each of their respective controlled Affiliates having any right in any of the Licensed Intellectual Property to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence. In addition, effective from and after the Agreement Date, Licensor and, for so long as they retain any right in any Licensed Intellectual Property, the Additional Parties, if any, having any right in any of the Licensed Intellectual Property, shall not,

and shall cause each of their respective controlled Affiliates having any right in any of the Licensed Intellectual Property (for so long as such controlled Affiliates have any right in any of the Licensed Intellectual Property) not to, commence or file any petition seeking (i) liquidation, reorganization or other relief in respect of any of Licensor, the Additional Parties, if any, having any right in any of the Licensed Intellectual Property or any of their respective Affiliates having any right in any of the Licensed Intellectual Property, or any of their respective debts, or of a substantial part of their respective assets, under any U.S. Federal, U.S. state, Danish or other bankruptcy, insolvency, receivership or similar Law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any of Licensor, any of its controlled Affiliates having any right in any of the Licensed Intellectual Property or, for so long as they retain any right in any Licensed Intellectual Property, the Additional Parties, if any, having any right in any of the Licensed Intellectual Property, in each case for a substantial part of their respective assets.

SECTION 2.09. Solvency.

(a) During the period from the Agreement Date until the satisfaction of all of Licensor's obligations under Section 2.10, Licensor shall not, and shall cause each of its controlled Affiliates not to, become insolvent or permit the cash and cash equivalents owned by Licensor and its Subsidiaries to be less than the amount required to satisfy its obligations as they come due, including its obligations under Section 2.10 plus any amounts required pursuant to Section 2.09(b) and any taxes thereon.

(b) During the period from the Agreement Date until the earlier of (i) the end of the Royalty Term and (ii) the later of (x) the Designated Countries Acquisition Option Closing Date and (y) the US Acquisition Option Closing Date, as applicable, Licensor shall not, and shall cause each of its controlled Affiliates not to, permit the assets, cash and cash equivalents owned by Licensor and its Subsidiaries to be less than the amount required to maintain Licensor as a going concern and a solvent entity, including the amount required to satisfy all tax liabilities of Licensor.

In addition, and notwithstanding anything in the immediately preceding sentence to the contrary, from the Agreement Date until the satisfaction of all of Licensor's obligations under Section 2.11 required to be performed before 18 months following the Agreement Date, Licensor shall not, and shall cause each of its controlled Affiliates not to, permit the assets, cash and cash equivalents owned by Licensor and its Subsidiaries to be less than the amount required to maintain Licensor as a going concern and a solvent entity, including, for the avoidance of doubt, the amount required to satisfy all tax and other liabilities of Licensor plus an additional $5,000,000.

(c) During the period from the Agreement Date until the end of the Royalty Term, as soon as reasonably practicable following the end of each Licensor fiscal year during such period, Licensor shall provide Licensee with a consolidated balance sheet of Licensor and its Subsidiaries as of the last day of the relevant fiscal year that has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and audited by an internationally recognized independent accounting firm.

(d) During the period from the Agreement Date until the end of the Royalty Term, for so long as it has any right in any of the Licensed Intellectual Property, each of the Additional Parties, if any, having any right in any of the Licensed Intellectual Property shall not, and shall cause each of their respective controlled Affiliates having any right in any of the Licensed Intellectual Property not to, permit their respective assets, cash and cash equivalents, or those of their respective Subsidiaries, to be less than the amount required to maintain each such Person and each of their respective Subsidiaries as a going concern and a solvent entity.

SECTION 2.10. TUPE Regulations; Indemnification. Effective from and after the Agreement Date, Licensor shall indemnify Licensee and its Affiliates for any and all losses, damages, liabilities, costs and expenses arising in connection with the transactions contemplated by this Agreement as a result of the application of the TUPE Regulations to any directors, employees or other service providers of Licensor and any of its Affiliates (including those relating to claims for employment with or compensation from Licensee or any of its Affiliates or with respect to warrants or other equity or equity-based compensation issued by Licensor or any of its Affiliates) (the "TUPE Related Liabilities"). Without limiting the generality of the foregoing, Licensor and Licensee shall cooperate and use commercially reasonable efforts to take actions to mitigate any such TUPE Related Liabilities, which actions shall include (a) the vesting by Licensor of warrants and other equity or equity-based compensation which vest as a result of the Transactions in accordance with the terms and conditions of the applicable Licensor plans or programs and (b) in the case of any director, employee or service provider of Licensor or any of its Affiliates who successfully asserts a claim to become employed by Licensee or any of its Affiliates, (i) prompt written notification to Licensor of any such claim directly received by Licensee or any of its Affiliates and (ii) the termination of such director, employee or service provider by Licensee or such Affiliate, as applicable, as soon as practicable following a written request from Licensor to take such action if, and effective at the earliest time, such action is permissible under applicable Law.

SECTION 2.11. Specified Actions. Effective from and after the Effective Date, Licensor shall use its commercially reasonable efforts to, and to cause each of its controlled Affiliates to, (i) take the actions set forth on Appendix D as soon as reasonably practicable following the Effective Date, and (ii) consummate the transactions contemplated by, and in the manner and subject to the conditions described in, Appendix D within 270 days following the Agreement Date. If the transactions contemplated in Step 1 of Appendix D are not consummated substantially in accordance with the immediately foregoing sentence, the P/S Sub Restructuring Alternative (as a defined in Appendix D) will be consummated. The Parties shall, and shall cause each of their respective controlled Affiliates to, cooperate to make any amendments to this Agreement that are reasonably necessary to give effect to such transactions. Notwithstanding anything in this Agreement to the contrary, the Parties' obligations set forth in this Section 2.11 shall terminate upon the later of (a) the Designated Countries Acquisition Option Closing Date and (b) the US Acquisition Option Closing Date.

SECTION 2.12. Joinder. With respect to any Person that is not a Party to this Agreement as of the Effective Date, but is contemplated by the terms of Appendix D to become a party to this Agreement after the Effective Date, the Parties (a) acknowledge the intent to join

such Person to this agreement in accordance with Appendix D, (b) shall execute and deliver or procure the execution and delivery of any instrument or agreement, and take such other action as may be necessary, to assure that the joinder to this Agreement of such Person in accordance with the terms of Appendix D occurs and is lawfully and validly carried out and (c) agree that upon the execution and delivery to the Parties of any such joinder agreement, each party thereto that was not a Party to this Agreement as of the Effective Date shall be deemed a Party to this Agreement from and after the date of such joinder agreement.

SECTION 2.13. Ixchel. Each of the Additional Parties and Licensor shall, and shall cause each of its respective controlled Affiliates to, terminate any and all existing, and not enter into any new, Contracts or obligations to Ixchel Pharma LLC, Dr. Gino Cortopassi and/or any other Person, to the extent related to the development by any of the Additional Parties, Licensor or any of their respective controlled Affiliates of any pharmaceutical product having *dimethyl fumarate* as an API for the treatment of a human for any indication, including Friedreich's ataxia.

SECTION 2.14. Shareholder Litigation. Licensor shall give Licensee the opportunity to participate (at Licensee's expense) in the defense or settlement of any shareholder litigation against Licensor or its officers and directors relating to this Agreement or the Transactions, and no such settlement involving any non-monetary damages shall be agreed to without Licensee's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed).

ARTICLE III

Licenses and Related Rights

SECTION 3.01. Co-Exclusive U.S. License. Effective upon U.S. Licensee's payment of the U.S. Upfront Fee to Licensor pursuant to Section 4.01, each of Licensor and the Additional Parties, on behalf of itself and each of its respective controlled Affiliates, hereby grants to U.S. Licensee and its Affiliates, effective at all times during the U.S. License Term, a perpetual (until any grant of an Exclusive U.S. License (defined below) in accordance with Section 3.02), irrevocable, Co-Exclusive royalty-bearing (in accordance with Article IV) license, to make any and all use in the United States of the Licensed Intellectual Property owned, registered or otherwise protected or enjoyable under the Laws of the United States by Licensor, such Additional Party or such controlled Affiliate, as the case may be (it being understood that certain of such grantors (other than the Licensor) may not in fact own or hold or have

any rights in or to any Licensed Intellectual Property) (such Licensed Intellectual Property, the "U.S. Licensed Intellectual Property"), with the right to sublicense, transfer or assign, (such Co-Exclusive license, the "Co-Exclusive U.S. License"). For the purpose of this Agreement, "Co-Exclusive" shall mean as to Licensor that Licensor has the limited license and right to itself (or through any of its wholly-owned Subsidiaries) make any and all use of the U.S. Licensed Intellectual Property in the United States, including by authorizing contractors to perform services for Licensor, including services to manufacture or import products and to perform wholesale and distribution services for Licensor and its wholly-owned Subsidiaries but shall not be permitted to otherwise directly or indirectly grant additional licenses under, sublicense, assign

or transfer the U.S. Licensed Intellectual Property to any Third Party or otherwise encumber the U.S. Licensed Intellectual Property in any way or use, deploy or operate the U.S. Licensed Intellectual Property for the benefit of any party other than Licensor and its wholly-owned Subsidiaries; provided, however, that if, after the U.S. Outside Date, as defined below, U.S. Licensee has not obtained the Exclusive U.S. License, as defined below, Licensor shall have the right on one occasion to assign its Co-Exclusive rights, in whole, but not in part, to a single Third Party, who shall have no additional right to assign or sublicense such Co-Exclusive rights (except to its wholly owned Subsidiaries) but shall have the right to authorize contractors to perform services (as contemplated above) for such assignee. For the avoidance of doubt, if Licensor assigns its Co-Exclusive rights to any Third Party in accordance with this Section 3.01, Licensor and the Additional Parties and their respective controlled Affiliates shall not be permitted to make any use of the U.S. Licensed Intellectual Property thereafter. The Co-Exclusive U.S. License granted under this Section 3.01 shall be binding on Licensor's and each of the Additional Parties' successors and assigns.

SECTION 3.02. Exclusive U.S. License.

(a) Subject to U.S. Licensee's payment to Licensor of the U.S. Upfront Fee, (i) each of Licensor and the Additional Parties, on behalf of itself and each of its respective controlled Affiliates, hereby grants to U.S. Licensee and its Affiliates, a perpetual, irrevocable, exclusive (even as to Licensor, each of the Additional Parties and their respective Affiliates) royalty-bearing (in accordance with Article IV) license to the U.S. Licensed Intellectual Property, with the right to sublicense, transfer or assign, and to make any and all use thereof in the United States (such exclusive license, the "Exclusive U.S. License"), that shall be effective at all times during the period beginning on the date that is two Business Days following the later of (x) Licensee's delivery of the Exclusive U.S. License Notice (as defined below) and (y) the satisfaction or waiver (by the Party or Parties entitled to the benefit thereof) of the conditions set forth in Article VI (the "Exclusive U.S. License Effective Date") through the end of the U.S. License Term. U.S. Licensee shall pay, or cause to be paid, to Licensor, by wire transfer of immediately available funds to the account designated in writing by Licensor, the Exclusive U.S. License Consideration within five (5) Business Days after the Exclusive U.S. License Effective Date. The Exclusive U.S. License shall be binding on Licensor's and each of the Additional Parties' successors and assigns.

(b) U.S. Licensee shall deliver to Licensor and the Additional Parties a notice specifying its intention to take the Exclusive U.S. License (the "Exclusive U.S. License Notice") on or prior to the date that is 75 days following the final decision in the Interference Proceeding, including any appeals therefrom to the Federal Circuit (including any *en banc* review); provided that U.S. Licensee may, at its option and upon written notice to Licensor and the Additional Parties, extend such date by an additional 140 days (such date, including such extension thereof, if exercised, the "U.S. Outside Date"); provided, further, that U.S. Licensee shall not be obligated to deliver an Exclusive U.S. License Notice if the conditions set forth in Section 6.01 have not been satisfied or waived (by the Party or Parties entitled to the benefit thereof) on or prior to the U.S. Outside Date. Notwithstanding the foregoing, U.S. Licensee may, at its option,

elect to deliver the Exclusive U.S. License Notice at any time prior to the U.S. Outside Date.

SECTION 3.03. Exclusive Worldwide (other than U.S.) License. Effective upon payment of the Designated Countries Upfront Fee to Licensor pursuant to Section 4.01, each of Licensor and the Additional Parties, on behalf of itself and each of its respective controlled Affiliates, hereby grants to Designated Countries Licensee and its Affiliates, effective at all times during the Designated Countries License Term, a perpetual, irrevocable, exclusive (even as to Licensor, each of the Additional Parties and their respective Affiliates), royalty-bearing (in accordance with Article IV) license to all Licensed Intellectual Property owned, registered or otherwise protected or enjoyable under the Laws of any country in the world other than the United States (the "Designated Countries Licensed Intellectual Property") with the right to sublicense, transfer or assign, and to make any and all use thereof in the Designated Countries (the "Exclusive Designated Countries License").

SECTION 3.04. Restrictions on Transfer. To the extent Licensor, any of the Additional Parties or any of their respective Affiliates assigns or otherwise transfers or grants rights under (by any means) to any Third Party any right, title or interest in, to or under any Licensed Intellectual Property from and after the Agreement Date, Licensor or such Additional Party, as applicable, shall and shall cause its applicable controlled Affiliate to make such assignment, transfer or other grant only as permitted hereunder and subject to the licenses and other rights granted under this Agreement, as applicable.

SECTION 3.05. Use Through Affiliates. For the avoidance of doubt, Licensee may exercise any or all of its rights under this Article III itself and with or through one or more of its Affiliates, and Licensee and its Affiliates may subcontract with their service providers under the license granted pursuant to this Article III to manufacture or import products licensed hereunder and to perform wholesale and distribution services for Licensee and its Affiliates regarding the same, without limitation.

SECTION 3.06. U.S. Purchase Option.

(a) If the Interference Proceeding (including any appeals therefrom to the Federal Circuit (including any en banc review)) results in the subsistence and ownership by Licensee (or an Affiliate of Licensee) of Patent US 8,399,514 B2 (and, for the avoidance of doubt, does not result in Licensor owning a Relevant Patent), then Licensee or its designated Affiliate shall have the option (but not the obligation) to acquire all of Licensor's, the Additional Parties' and their respective controlled Affiliates' right, title and interest in, to and under the U.S. Licensed Intellectual Property (excluding any and all liabilities arising out of or in connection with the U.S. Licensed Intellectual Property) for the consideration set forth in Section 3.06(d) (the "U.S. Acquisition Option").

(b) Licensee may exercise the U.S. Acquisition Option by delivering written notice of such exercise to Licensor and the Additional Parties (a "U.S. Acquisition Option Exercise Notice") at any time permitted by Section 3.06(a), but in any event not later than 6 months following the date on which such option first becomes exercisable.

(c) Following the delivery of a U.S. Acquisition Option Exercise Notice, the U.S. Acquisition Option shall close on the later of (i) the date of delivery of the U.S. Acquisition Option Exercise Notice and (ii) the date on which the conditions to closing such U.S. Acquisition Option set forth in Section 3.06(g) have been satisfied or waived (by the Party or Parties entitled to the benefit thereof) (the "U.S. Acquisition Option Closing"). The date on which such U.S. Acquisition Option Closing shall occur is referred to herein as the "U.S. Acquisition Option Closing Date".

(d) U.S. Licensee shall pay, or cause to be paid, to Licensor, by wire transfer of immediately available funds to the account designated in writing by Licensor, USD$50,000, on the U.S. Acquisition Option Closing Date.

(e) At all times from and after the U.S. Acquisition Option Closing Date, the acquisition of the U.S. Licensed Intellectual Property described in this Section 3.06 shall replace the licenses granted in Sections 3.01 and 3.02.

(f) Notwithstanding anything to the contrary in Article V, at all times from and after the U.S. Acquisition Option Closing Date, Licensee shall have sole control over the prosecution, maintenance, defense and assertion of the U.S. Licensed Intellectual Property and shall not be required to consult with Licensor regarding any of the foregoing.

(g) The U.S. Acquisition Option Closing shall be subject to the satisfaction or waiver of the following conditions:

(i) Payment of Upfront Fee. Timely payment in full by Licensee to Licensor of the Upfront Fee as contemplated by Section 4.01.

(ii) HSR Clearance. If Licensee reasonably determines in good faith that Licensee's exercise of the U.S. Acquisition Option requires the filing of the notification and report form required by the HSR Act with the FTC and DOJ, any waiting period (and any extension thereof) applicable to the U.S. Acquisition Option shall have expired or been earlier terminated.

(iii) Legal Restraints. No Legal Restraints, whether temporary or permanent, restraining, enjoining, preventing, prohibiting or otherwise making illegal or ineffective Licensee's acquisition of all of Licensor's, the Additional Parties' and their respective controlled Affiliates' right, title and interest in, to or under the U.S. Licensed Intellectual Property pursuant to the U.S. Acquisition Option shall be in effect.

(h) At the U.S. Acquisition Option Closing, each of Licensor and the Additional Parties shall, and shall cause each of their respective controlled Affiliates to (i) execute all assignments, transfer forms, endorsements and such other customary instruments of sale, transfer or assumption required by applicable Law to vest in Licensee all of Licensor's, the Additional Parties' and their respective controlled Affiliates' right, title and interest in, to or under the U.S. Licensed Intellectual Property, in form and substance reasonably satisfactory to Licensee, (ii) execute such other agreements,

documents and instruments as Licensee believes to be reasonably necessary to consummate its acquisition of all of Licensor's, the Additional Parties' and their respective controlled Affiliates' right, title and interest in, to or under the U.S. Licensed Intellectual Property and (iii) take all actions that Licensee deems reasonably necessary or advisable in order to record, or assist Licensee or any of its Affiliates in recording, with any relevant Governmental Entity including the USPTO, the assignment of the U.S. Licensed Intellectual Property to Licensee, so as to perfect Licensee's or an Affiliate of Licensee's ownership thereof (including authorizing Licensee or an Affiliate of Licensee to record the documents, or forms of the documents, contemplated by the foregoing clauses (i) and (ii) with any relevant Governmental Entity including the USPTO). For the avoidance of doubt, notwithstanding any other provision of this Agreement or any other agreement, document or instrument executed pursuant to this Section 3.06, Licensee and its Affiliates shall not assume or be liable for any liabilities, obligations or commitments of Licensor, the Additional Parties or any of their respective Affiliates, of any kind, whether express or implied, liquidated, absolute, accrued, contingent or otherwise, or known or unknown, existing on or occurring prior to the U.S. Acquisition Option Closing.

SECTION 3.07. Designated Countries Purchase Option.

(a) If the European Opposition Proceeding (including any appeals therefrom to the Technical Board of Appeal and/or the Enlarged Board of Appeal) does not result in the subsistence and ownership by Licensor of European patent EP 2801355 (Application No. 14172398.1), then Licensee or its designated Affiliate shall have the option (but not the obligation) to acquire all of Licensor's, the Additional Parties' and their respective controlled Affiliates' right, title and interest in, to and under the Designated Countries Licensed Intellectual Property (excluding any and all liabilities arising out of or in connection with the Designated Countries Licensed Intellectual Property) for the consideration set forth in Section 3.07(d) (the "Designated Countries Acquisition Option").

(b) Licensee may exercise the Designated Countries Acquisition Option by delivering written notice of such exercise to Licensor and the Additional Parties (a "Designated Countries Acquisition Option Exercise Notice") at any time permitted by Section 3.07(a), but in any event not later than 6 months following the date on which such option first becomes exercisable.

(c) Following the delivery of a Designated Countries Acquisition Option Exercise Notice, the Designated Countries Acquisition Option shall close on the later of (i) the date of delivery of the Designated Countries Acquisition Option Exercise Notice and (ii) the date on which the conditions to closing such Designated Countries Acquisition Option set forth in Section 3.07(g) have been satisfied or waived (by the Party or Parties entitled to the benefit thereof) (the "Designated Countries Acquisition Option Closing"). The date on which such Designated Countries Acquisition Option Closing shall occur is referred to herein as the "Designated Countries Acquisition Option Closing Date".

(d) Designated Countries Licensee shall pay, or cause to be paid, to Licensor, by wire transfer of immediately available funds to the account designated in writing by Licensor, USD$50,000, on the Designated Countries Acquisition Option Closing Date.

(e) At all times from and after the Designated Countries Acquisition Option Closing Date, the acquisition of the Designated Countries Licensed Intellectual Property described in this Section 3.07 shall replace the license granted in Section 3.03.

(f) Notwithstanding anything to the contrary in Article V, at all times from and after the Designated Countries Acquisition Option Closing Date, Licensee shall have sole control over the prosecution, maintenance, defense and assertion of the Designated Countries Licensed Intellectual Property and shall not be required to consult with Licensor regarding any of the foregoing.

(g) The Designated Countries Acquisition Option Closing shall be subject to the satisfaction or waiver of the following condition:

(i) Payment of Upfront Fee. Timely payment in full by Licensee to Licensor of the Upfront Fee as contemplated by Section 4.01.

(ii) Legal Restraints. No Legal Restraints, whether temporary or permanent, restraining, enjoining, preventing, prohibiting or otherwise making illegal or ineffective Licensee's acquisition of all of Licensor's, the Additional Parties' and their respective controlled Affiliates' right, title and interest in, to or under the Designated Countries Licensed Intellectual Property pursuant to the Designated Countries Acquisition Option shall be in effect.

(h) At the Designated Countries Acquisition Option Closing, each of Licensor and the Additional Parties shall, and shall cause each of their respective controlled Affiliates to (i) execute all assignments, transfer forms, endorsements and such other customary instruments of sale, transfer or assumption required by applicable Law to vest in Licensee all of Licensor's, the Additional Parties' and their respective controlled Affiliates' right, title and interest in, to or under the Designated Countries Licensed Intellectual Property, in form and substance reasonably satisfactory to Licensee, (ii) execute such other agreements, documents and instruments as Licensee believes to be reasonably necessary to consummate its acquisition of all of Licensor's, the Additional Parties' and their respective controlled Affiliates' right, title and interest in, to or under the Designated Countries Licensed Intellectual Property and (iii) take all actions that Licensee reasonably deems necessary or advisable in order to record, or assist Licensee or any of its Affiliates in recording, with any relevant Governmental Entity, the assignment of the Designated Countries Licensed Intellectual Property to Licensee, so as to perfect Licensee's or an Affiliate of Licensee's ownership thereof (including authorizing Licensee or an Affiliate of Licensee to record the documents, or forms of the documents, contemplated by the foregoing clauses (i) and (ii) with any relevant Governmental Entity), in each case, in any country in the Territory. For the avoidance of doubt, notwithstanding any other provision of this Agreement or any other agreement,

document or instrument executed pursuant to this Section 3.07, Licensee and its Affiliates shall not assume or be liable for any liabilities, obligations or commitments of Licensor, the Additional Parties or any of their respective Affiliates, of any kind, whether express or implied, liquidated, absolute, accrued, contingent or otherwise, or known or unknown, existing on or occurring prior to the Designated Countries Acquisition Option Closing.

ARTICLE IV

Payment

SECTION 4.01. Upfront Fee. In consideration of the rights, licenses and releases granted by the Additional Parties and Licensor to Licensee pursuant to this Agreement, Designated Countries Licensee and U.S. Licensee, respectively, shall pay, or cause to be paid, to Licensor, by wire transfer of immediately available funds to the account designated in writing by Licensor, the Designated Countries Upfront Fee and the U.S. Upfront Fee, respectively, within five (5) Business Days after the Effective Date. The Parties acknowledge that the U.S. Upfront Fee and the Designated Countries Upfront Fee shall, once paid in full, be final and non-refundable.

SECTION 4.02. U.S. Royalty. If,

(a) the Interference Proceeding, which the Parties agree will be finally decided by exhausting, or failing to exhaust, any appeals to the Court of Appeals for the Federal Circuit without any *petition for certiorari* to the U.S. Supreme Court, results in Licensor obtaining a Relevant Patent in the United States, and

(b) the representations and warranties of Licensor set forth in Sections 7.01(a), 7.01(b) and 7.01(e)(i) and the representations of the Additional Parties set forth in Section 7.02 are true and correct in all material respects, and

(c) there is no Legal Restraint in effect, whether temporary or permanent, restraining, enjoining, preventing, prohibiting, revoking or otherwise making illegal or ineffective the grant of the Co-Exclusive U.S. License (during any time prior to the Exclusive U.S. License Effective Date) or the Exclusive U.S. License (during any time after the Exclusive U.S. License Effective Date), and

(d) the Aditech Addendum is in full force and effect.

(e) Each of Licensor and the Additional Parties have performed in all material respects all obligations required to be performed by it under Sections 2.01(b), 2.02, 2.03, 2.07, 2.08, 2.09 and 2.11;

then, U.S. Licensee shall pay Licensor royalties on Net Sales in the United States of (i) any product indicated for the treatment of multiple sclerosis that, but for the rights granted pursuant to this Agreement, would infringe a Relevant Patent arising out of the Interference Proceeding; and (ii) any product indicated for the treatment of multiple sclerosis having *dimethyl fumarate* as an API that, but for the rights granted pursuant to this Agreement, would infringe a Patent

included in the U.S. Licensed Intellectual Property (the foregoing (i) and (ii) collectively, a "U.S. Infringing Product"), according to the following terms (the royalty payments described in this Section 4.02, collectively, the "U.S. Royalty Consideration"):

(f) If U.S. Licensee is operating under the Exclusive U.S. License in accordance with Section 3.02, then (i) from January 1, 2021 to December 31, 2028, U.S. Licensee shall pay to Licensor a royalty of 10% on Net Sales in the United States of any U.S. Infringing Product; and (ii) from January 1, 2029 until the earlier of the expiration of the last to expire (or be invalidated by a final court ruling, from which no appeal can be taken or is timely taken) of the Infringed Claims included in the Patents included in the U.S. Licensed Intellectual Property, U.S. Licensee shall pay Licensor royalties of 20% on Net Sales in the United States of any U.S. Infringing Product; provided in the case of each of the foregoing clauses (i) and (ii) U.S. Licensee shall only be required to make any such payment if all conditions set forth in this Section 4.02 have been satisfied at all times throughout the calendar year prior to the time at which such payment is otherwise due and payable pursuant to the terms of this Section 4.02.

(g) If U.S. Licensee is operating under the Co-Exclusive U.S. License (and has not obtained the Exclusive U.S. License), then from January 1, 2023 until the earlier of the expiration of the last to expire (or be invalidated by a final court ruling, from which no appeal can be taken or is timely taken) of the Infringed Claims included in the Patents included in the U.S. Licensed Intellectual Property, U.S. Licensee shall pay to Licensor a 1% royalty on Net Sales in the United States of any U.S. Infringing Product; provided U.S. Licensee shall only be required to make any such payment if all conditions set forth in this Section 4.02 have been satisfied at all times throughout the calendar year prior to the time at which such payment is otherwise due and payable pursuant to the terms of this Section 4.02.

(h) Within 60 days after December 31 of each relevant year, Licensee shall submit a report to Licensor that sets forth, in reasonable detail, the calculation of Net Sales for such calendar year in the United States and the related U.S. Royalty Consideration owed by U.S. Licensee for such calendar year (such report, the "U.S. Statement") and concurrently U.S. Licensee shall pay, or cause to be paid to, Licensor, in accordance with Section 4.04 of this Agreement, the amount of the U.S. Royalty Consideration owed to Licensor, pursuant to this Section 4.02 as set forth in such U.S. Statement.

(i) Notwithstanding anything to the contrary in this Section 4.02, (i) no U.S. Royalty Consideration shall be payable by U.S. Licensee with respect to Net Sales on any day on which any U.S. Generic Equivalent is offered for sale in the United States and (ii) in addition, if (A) there has been any U.S. Generic Equivalent offered for sale in the United States and (B) within two years following the last day of any such offer for sale of any U.S. Generic Equivalent, the average wholesale price of any branded U.S. Infringing Product, or product that is bioequivalent and therapeutically equivalent to and substitutable for a U.S. Infringing Product, sold, offered for sale or imported by Licensee or any other Person is 10% or more below the average wholesale price of Licensee's U.S.

Infringing Products immediately prior to the offering for sale of such U.S. Generic Equivalent (the occurrence of the foregoing (A) and (B), a "U.S. Generic Entry Impact"), then U.S. Licensee will have no further obligation to pay any U.S. Royalty Consideration for the remainder of the U.S. Royalty Term. For the avoidance of doubt, for a year in which a U.S. Generic Entry Impact occurs, (x) U.S. Licensee will pay U.S. Royalty Consideration to Licensor with respect to the portion of such year prior to the date of such U.S. Generic Entry Impact and (y) no U.S. Royalty Consideration will be due with respect to any date thereafter.

SECTION 4.03. Worldwide (other than U.S.) Royalties. If,

(a) in the European Opposition Proceeding, Licensor obtains a Relevant Patent (in Swiss form or otherwise),

(b) the representations and warranties of Licensor set forth in Sections 7.01(a), 7.01(b) and 7.01(e)(i) and the representations of the Additional Parties set forth in Section 7.02 are true and correct in all material respects,

(c) there is no Legal Restraint in effect, whether temporary or permanent, restraining, enjoining, preventing, prohibiting, revoking or otherwise making illegal or ineffective the grant of the Exclusive Designated Countries License, on a country-by-country basis,

(d) The Aditech Addendum is in full force, and

(e) Each of Licensor and the Additional Parties have performed in all material respects all obligations required to be performed by it under Sections 2.01(b), 2.02, 2.03, 2.07, 2.08, 2.09 and 2.11;

then, Designated Countries Licensee shall pay Licensor royalties on Net Sales in each Designated Country of (i) any product indicated for the treatment of multiple sclerosis that, but for the rights granted pursuant to this Agreement, would infringe a Relevant Patent included in the Designated Countries Licensed Intellectual Property and (ii) any product indicated for the treatment of multiple sclerosis having *dimethyl fumarate* as an API that, but for the rights granted pursuant to this Agreement, would infringe a Patent included in the Designated Countries Licensed Intellectual Property (any products that fulfill the criteria in (i) or in (ii) or in both (i) and (ii) are referred to herein as a "Designated Country Infringing Product"), according to the following terms (the royalty payments described in this Section 4.03, collectively, the "Designated Countries Royalty Consideration"):

(f) (i) From January 1, 2021 to December 31, 2028, Designated Countries Licensee shall pay Licensor, on a country-by-country basis, royalties of 10% on Net Sales, due and payable in U.S. dollars, of any Designated Country Infringing Product in each Designated Country; and (ii) from January 1, 2029 until the expiration of the last to expire (or be invalidated by a final court ruling, from which no appeal can be taken or is timely taken) of the Infringed Claims included in the Patents included in the Designated Countries Licensed Intellectual Property, Designated Countries Licensee shall pay

Licensor, on a country-by-country basis, royalties of 20% on Net Sales, due and payable in U.S. dollars, of any Designated Country Infringing Product in each Designated Country; provided in the case of each of the foregoing clauses (i) and (ii) Designated Countries Licensee shall only be required to make any such payment if all conditions set forth in this Section 4.03(a)-(e) have been satisfied at all times throughout the calendar year prior to the time at which such payment is otherwise due and payable pursuant to the terms of this Section 4.03. For the avoidance of doubt, the condition set forth in Section 4.03(c) shall apply on a country by country basis and failure to satisfy such condition in an individual Designated Country shall not relieve Licensee of its obligation to pay royalties pursuant to this Section 4.03 in respect of other Designated Countries in which such condition has been satisfied.

(g) Within 60 days after December 31 of the relevant year, Licensee shall submit a report to Licensor that sets forth, in reasonable detail, the calculation of Net Sales on a country-by-country basis, converted to U.S. dollars calculated by converting the local currency to U.S. dollars using the average monthly foreign exchange rate for each applicable month used by Licensee for its external financial reporting, for such calendar year and the related Designated Countries Royalty Consideration owed by Designated Countries Licensee for such calendar year (such report, the "Designated Countries Statement") and concurrently Designated Countries Licensee shall pay, or cause to be paid to, Licensor the amount of the Designated Countries Royalty Consideration owed to Licensor pursuant to this Section 4.03 in U.S. dollars as set forth in such Designated Countries Statement.

(h) Notwithstanding anything to the contrary in this Section 4.03, (i) no Designated Countries Royalty Consideration shall be payable by Designated Countries Licensee with respect to Net Sales of a Designated Country Infringing Product in a Designated Country on any day on which any Designated Country Generic Equivalent to such Designated Country Infringing Product is offered for sale in such Designated Country; and (ii) in addition, if (A) a Designated Country Generic Equivalent to a branded Designated Country Infringing Product is offered for sale in a Designated Country and (B) within two years following the last day of any such offer for sale of such Designated Country Generic Equivalent, the average wholesale price of such branded Designated Countries Infringing Product, or product that is bioequivalent and therapeutically equivalent to and substitutable for a Designated Countries Infringing Product, in such Designated Country, offered for sale by Licensee or any other Person, is 10% or more below the average wholesale price of such branded Designated Country Infringing Products in such Designated Country immediately prior to such last day (the occurrence of the foregoing (A) and (B), a "Designated Country Generic Entry Impact"), then Designated Countries Licensee will have no further obligation to pay any Designated Countries Royalty Consideration with respect to sales of such Designated Country Infringing Products in such Designated Country for the remainder of the Designated Countries Royalty Term. For the avoidance of doubt, for a year in which a Designated Country Generic Entry Impact occurs in respect of a Designated Country Infringing Product in a Designated Country, (x) Designated Countries Licensee will pay Designated Countries Royalty Consideration to Licensor with respect to the portion of

such year prior to the date of such Designated Country Generic Entry Impact, in such Designated Country and (y) no Designated Countries Royalty Consideration will be due with respect to any date thereafter in respect of such Designated Country Infringing Product in such Designated Country.

SECTION 4.04. Form of Payment. U.S. Licensee shall pay the U.S. Upfront Fee and the U.S. Royalty Consideration, and Designated Countries Licensee shall pay the Designated Countries Upfront Fee and the Designated Countries Royalty Consideration, in cash by wire transfer of immediately available funds (in U.S. dollars) to the account designated from time to time in writing by Licensor.

SECTION 4.05. Late Penalties. If U.S. Licensee or Designated Countries Licensee fails to pay Licensor within 15 Business Days of the relevant due dates set forth in this Article IV any amount otherwise due and payable to Licensor under this Agreement, U.S. Licensee or Designated Countries Licensee, as applicable, agrees to pay interest, calculated from the date such payment is due until such amount is paid in full, at the prime rate set by the Bank of America plus 1% per annum, or the maximum amount allowable by law, whichever is lower. U.S. Licensee or Designated Countries Licensee, as applicable, agrees to pay all reasonable, documented and out-of-pocket legal fees and costs incurred by Licensor in connection with Licensor's collection efforts in the event U.S. Licensee or Designated Countries Licensee fails to make any payment under this Article IV that are due and payable and Licensor must take steps to collect the payments owed.

SECTION 4.06. Taxes.

(a) It is understood and agreed among the Parties hereto that any payments made by or for the benefit of Licensee or its Affiliates (or any assignee of Licensee) under this Agreement are exclusive of any value-added or similar tax ("VAT") imposed upon such payments. Licensee represents that as of the date of payment of the Upfront Fee, Licensee will hold commercial licenses. Licensee shall promptly notify Licensor, if Licensee should cease to hold commercial licenses at any time prior to expiry of the Royalty Term. Licensor and Licensee agree that none of the payments under this Agreement are intended to be subject to VAT. Licensee and Licensor shall provide each other with any information and documentation reasonably requested to (i) mitigate the levying of any VAT on any payments made by or for the benefit of Licensee or its Affiliates (or any assignee of Licensee) under this Agreement and/or (ii) recover any VAT incurred on such payments.

(i) If any Party receives any claim or notice from a tax authority contending that a payment is or may be subject to VAT, then such Party shall promptly notify the other Party or Parties, as applicable. Licensor shall be entitled to control all audits or other proceedings in connection with such claim (provided that Licensee shall be entitled to participate at its own expense).

(ii) Licensor shall only be entitled to issue an invoice with the addition of VAT to Licensee when Licensor determines, based on a legal opinion received by Licensor and shared with Licensee, that Licensor is legally obliged to add VAT to its

invoice in order to ensure compliance with the requirements under the applicable VAT legislation, in which case Licensor may issue such invoice and Licensee shall pay, or cause to be paid to, Licensor the amount with the addition of VAT, which payment may, at Licensee's discretion, be made in the form of a non-interest bearing promissory note ("the VAT Note"). Each Party shall take any commercially reasonable measures requested by another Party to recover any VAT incurred on payments under this Agreement in accordance with Section 45(1) of the Danish VAT Act. Licensor shall indemnify and hold Licensee harmless from (A) any VAT that cannot be recovered pursuant to the immediately preceding sentence (which indemnity, for the avoidance of doubt, may be settled in part or whole by offset against the corresponding VAT Note issued by Licensee) and (B) any

reasonable expenses incurred by Licensee in recovering VAT; provided that no such obligation shall apply in respect of any VAT that cannot be recovered as a consequence of the Licensee not holding commercial licenses.

(b) In the event any payments made by or for the benefit of Licensee (or any assignee of Licensee) pursuant to this Agreement are or become subject to withholding taxes under applicable Law, the Person making such payment pursuant to this Agreement (the "Applicable Payer") shall deduct and withhold the amount of such taxes to the extent required by applicable Law; amounts otherwise payable to Licensor pursuant to this Agreement shall be reduced by the amount of taxes deducted and withheld; the Applicable Payer shall pay the amounts of such taxes to the proper Governmental Entity in a timely manner and promptly transmit to Licensor an official tax certificate or other evidence of such tax obligations reasonably satisfactory to Licensor together with proof of payment reasonably satisfactory to Licensor of all amounts deducted and withheld sufficient to enable Licensor to claim such payment of taxes; and the amount of any such taxes so withheld or deducted shall be treated for all other purposes of this Agreement as if paid to Licensor. Any such withholding taxes required under applicable Law to be paid, deducted or withheld shall be an expense of, and borne solely by, Licensor. The Applicable Payer will provide Licensor with reasonable assistance, at Licensor's expense to enable Licensor to recover such taxes as permitted by applicable Law. Should any payment required to be made to Licensor in accordance with the provisions of this Agreement be subject to withholding of any taxes by Licensee or its Affiliates or any assignee of Licensee, such Person shall (i) inform Licensor of such withholding requirement in advance of the first payment to be made by the Applicable Payer to Licensor hereunder, so as to allow Licensor to obtain and provide the Applicable Payer with an appropriate certificate of exemption, if available, and (ii) shall consult in good faith with Licensor prior to withholding any amounts and use commercially reasonable efforts to minimize any such withholding if a certificate of exemption is not available. No withholding shall be made to the extent an exemption from such withholding is timely obtained, and for as long as such exemption is valid. Notwithstanding anything to the contrary in this Agreement, provided (i) that Licensor provides the Applicable Payer with an executed Form W-8BEN-E claiming a complete exemption from U.S. withholding tax otherwise imposed on payments under this Agreement, including any VAT Note, under the U.S.-Denmark income tax treaty, the Applicable Payer shall not withhold U.S. tax from any payment under this Agreement or any VAT Note and (ii) no payment to Licensor under this Agreement shall be reduced by,

and Licensee, its Affiliates (and any assignee of Licensee) shall indemnify Licensor, its Affiliates (and any assignee of Licensor) and hold them harmless from, any taxes deducted or withheld which would not have been required to be deducted or withheld but for a sublicense or assignment by the U.S. Licensee or the Designated Countries Licensee of any or all of its rights under this Agreement or but for any other use of the Licensed Intellectual Property by a Person other than the Licensee. If any deduction or withholding described in clause (ii) of the prior sentence is required to be made under applicable Law, the payment otherwise due to Licensor under this agreement shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 4.06(b)) Licensor receives an amount equal to the sum it would have received had no such deduction or withholding been made. Upon the reasonable request of the Applicable Payer, Licensor shall update any Form W-8BEN-E or other form or certification previously delivered claiming an exemption from or reduction of withholding and, if such Form W-8BEN-E or any other such form or certification expires or becomes obsolete or inaccurate in any respect, or if any previously obtained exemption from withholding is otherwise no longer valid, Licensor shall promptly (and in any event within 10 days after such expiration, obsolescence, inaccuracy or invalidity) notify the Applicable Payor in writing of such expiration, obsolescence, inaccuracy or invalidity and, as applicable, update the form or certification if it is legally able to do so. Licensor shall indemnify and hold harmless any Applicable Payer from and against any taxes (together with any interest and penalties thereon) (I) that are U.S. withholding taxes due with respect to any such payments made pursuant to this Agreement or (II) that such Applicable Payer incurs as a result of the expiration, obsolescence or inaccuracy of any Form W-8BEN-E or other form, certification or documentation delivered by Licensor claiming an exemption from or reduction of withholding.

SECTION 4.07. Audit Rights. Licensee shall, and shall cause each of its controlled Affiliates to, from January 1, 2021 until the earlier of (a) the expiration of the last to expire of the Patents included in the Licensed Intellectual Property, or (b) a final court ruling, from which no appeal can be taken or from which no appeal is timely taken, that all otherwise extant claims of Patents included in the Licensed Intellectual Property are unenforceable or otherwise invalid in each jurisdiction in the Territory, keep and maintain books and records in accordance with its standard accounting procedures and in sufficient detail to verify the amount of any Royalty Consideration payable under this Agreement during such period. During the 45-day period following the later of (i) Licensee's delivery of a U.S. Statement or Designated Countries Statement to Licensor pursuant to Section 4.02(h) or Section 4.03(g) and (ii) the mutual selection by Licensor and Licensee of an independent accounting firm as contemplated below, Licensor shall have the right on a reasonable period of notice to have an independent accounting firm that is mutually selected by Licensor and Licensee (the "Auditor") examine such books and records of Licensee and its controlled Affiliates, in each case to the extent such books and records relate to the calculation of Net Sales and the related U.S. Royalty Consideration and Designated Countries Royalty Consideration for the preceding year set forth on such U.S. Statement or Designated Countries Statement, respectively, and solely for the purpose of verifying the related U.S. Royalty Consideration and Designated Countries Royalty Consideration set forth on such U.S. Statement or Designated Countries Statement and that the

Net Sales set forth on such U.S. Statement or Designated Countries Statement were calculated in accordance with the terms of this Agreement. For the avoidance of doubt, pursuant to this Section 4.07, the Auditor shall act as an expert and not an arbitrator and, in any event, shall not substitute its own accounting judgment for that of Licensee when auditing the accuracy of the calculation of Net Sales and related U.S. Royalty Consideration and Designated Countries Royalty Consideration set forth on a U.S. Statement or Designated Countries Statement. The Auditor may not be paid on a contingency or other basis related to the outcome of the audit, and shall execute a confidentiality agreement with Licensee and its Affiliates in a form reasonably satisfactory to Licensee that prohibits the Auditor from disclosing or using information obtained in connection with the audit (other than the disclosure to Licensor of the results and conclusions of such audit). Any such audit shall be conducted during normal business hours, in such a manner as not to materially interfere with the normal business activities, of Licensee and its Affiliates, and shall be at Licensor's expense; provided, however, if such audit reveals an underpayment of more than 5% during the audited period, Licensee shall pay, or cause to be paid, all reasonable costs of the Auditor, but shall not be obligated to pay the fees, costs or expenses of any other Person in connection with such audit. Prompt adjustment and payment shall be made to correct for any underpayment or overpayment revealed by any such audit.

ARTICLE V

Maintenance, Prosecution and Litigation

SECTION 5.01. Submitting Agreement to PTAB. Immediately following the Effective Date, pursuant to 35 U.S.C. § 135(c) and 37 C.F.R. § 41.205, before termination of the Interference Proceeding, Licensor and Licensee agree to file, and/or to cause their relevant controlled Affiliates to file, a Joint Submission of Agreement in substantially the same form as that provided in Appendix E, or as otherwise directed by the PTAB, with the intention of providing a copy of this Agreement and all related agreements to be kept separate from the Interference file.

SECTION 5.02. IP Advisory Committee. Immediately following the Effective Date, Licensor and Licensee shall create an intellectual property advisory committee (the "IP Advisory Committee") comprised of one or more individuals designated by Licensor and one or more individuals designated by Licensee, which IP Advisory Committee shall remain in effect from the Effective Date until (a) if the Exclusive U.S. License becomes effective, the later of the conclusion of the European Opposition Proceeding and the Exclusive U.S. License Effective Date or (b), if the Exclusive U.S. License does not become effective, the expiry of the last item to expire (or be invalidated in its entirety by a final court ruling, from which no appeal can be taken or is timely taken) of the Licensed Patents. The IP Advisory Committee shall cooperate and meet at regular intervals as agreed by Licensor and Licensee to discuss strategy and actions with respect to the filing, maintenance, prosecution and defense of the Licensed Intellectual Property and any Litigation related to the Licensed Intellectual Property (other than as set forth in this Section 5.02. Each of the Parties shall, and shall cause each of their respective controlled Affiliates to, take reasonable steps to make available to the members of the IP Advisory Committee documents reasonably related to, and keep the members of the IP Advisory Committee informed of, all maintenance, prosecution and defense activities related to the

Licensed Intellectual Property, any Litigation related to the Licensed Intellectual Property and any other correspondence involving such maintenance, prosecution, defense and Litigation; provided that in no event shall Licensor be required to provide any information that is subject to attorney-client privilege, or work product immunity, which privilege or immunity would reasonably be expected to be lost or reduced by disclosure to Licensee, or any Confidential Intellectual Property Information, in either case that is related to (i) the negotiation of this Agreement or any enforcement hereof or disputes hereunder (including, establishing that a product is an Infringing Product), (ii) the Interference Proceeding or (iii) the European Opposition Proceeding, in each case prior to the conclusion of such matters; except that in each case Licensor shall, and shall cause each of its controlled Affiliates to, use its commercially reasonable efforts to provide the applicable information in a way, if any, that would not reasonably be expected to violate such privilege, as applicable, or materially adversely affect Licensor in the Interference Proceeding or the European Opposition Proceeding, as applicable. As applicable, no Party shall take, or omit to take (and each Party shall cause each of its controlled Affiliates to not take or omit to take), any material action with respect to the filing, maintenance, prosecution or defense of the Licensed Intellectual Property (or any Litigation related to the Licensed Intellectual Property) without first consulting with and giving reasonable good faith consideration to the viewpoints of the IP Advisory Committee and its members. For the avoidance of doubt, (A) nothing contained in this Section 5.02 shall give Licensee or any of its Affiliates the right to direct or control the business operations of Licensor or any of the Additional Parties and (B) nothing contained in this Section 5.02 shall give any Party the right to information belonging to any other Party or its respective Affiliates related to the Interference Proceeding or the European Opposition Proceeding.

SECTION 5.03. Licensor Maintenance, Prosecution and Litigation. Except with respect to all Designated Countries Licensed Intellectual Property (other than Licensor's European patent EP 2801355), effective from the Effective Date until the earlier of (a) the end of the Royalty Term or (b) (i) with respect to the U.S. Licensed Intellectual Property, the Exclusive U.S. License Effective Date and (ii) with respect to Licensor's European patent EP 2801355 (Application No. 14172398.1), the date on which the European Opposition Proceeding has reached a final, unappealable conclusion:

(a) Costs and Expenses. Each of Licensor and the Additional Parties, if any, owning any Licensed Intellectual Property shall, and shall cause each of their respective controlled Affiliates to, at its or their sole cost and expense, take all reasonable measures to diligently file, prosecute and maintain the respective Licensed Patents. Each of Licensor and the Additional Parties, if any, owning any Licensed Intellectual Property shall, and shall cause each of their respective controlled Affiliates to, use commercially reasonable efforts not to decline to file, prosecute or maintain any Licensed Patents, elect to allow any Licensed Patents to lapse, or elect to terminate, abandon or otherwise impair any Licensed Patents, in each case without the prior written consent of Licensee, and Licensee shall have the right to assume the prosecution and/or maintenance of such Licensed Patents.

(b) Litigation. The Parties shall notify each other promptly in writing if any infringement or potential infringement of the Licensed Intellectual Property by a Third Party is observed or suspected by the Parties or any of their controlled Affiliates.

(i) Licensor shall have the initial right, but not the obligation, using counsel of its choice at its own cost, to enforce the Licensed Intellectual Property or defend any challenge with respect thereto. Licensor shall have sole control of any decisions or other aspects of any such Litigation. To the extent reasonably practicable, Licensor shall, and shall cause, where relevant, each of its controlled Affiliates to, keep Licensee informed of the status of, and shall consult with Licensee with respect to, any such Litigation (excepting the Interference Proceeding or the European Opposition Proceeding), including, for the avoidance of doubt, any defense, settlement, adjustment or compromise of any such Litigation. Upon request by Licensor, Licensee shall give to Licensor such reasonable assistance in the Litigation as Licensor may reasonably request, including by signing or executing any necessary documents and consenting to it being named as a party to the proceedings. Any and all recoveries from any such Litigation shall be solely and entirely for Licensor's account.

(ii) If Licensor does not exercise its right to institute any such action, Licensor shall, and shall cause each of its controlled Affiliates to timely provide Licensee with Notice such that Licensee may, at its sole option and discretion, and at Licensee's expense, enforce the Licensed Intellectual Property or defend against any challenge with respect thereto. In such case, (A) Licensee shall have sole control of any decisions or other aspects of any such Litigation, (B) to the extent reasonably practicable, Licensee shall keep Licensor informed of the status of, and shall consult with Licensor with respect to, any such Litigation, including, for the avoidance of doubt, any defense, settlement, adjustment or compromise of any such Litigation, (C) upon request by Licensee, Licensor shall, and shall cause each of its controlled Affiliates to, give to Licensee such reasonable assistance in the Litigation as Licensee may reasonably request, including by signing or executing any necessary documents and consenting to it being named as a party to the proceedings and (D) any and all recoveries from any such Litigation shall be solely and entirely for Licensee's account.

(c) ANDA Litigation. Notwithstanding any provision of this Article V to the contrary, Licensee shall, at all times from and after the Effective Date, have sole control over, and shall have full authority to defend, litigate and control (at its own cost and expense, including any

attorneys' fees), and shall have no obligation to consult with the IP Advisory Committee with respect to, any ANDA-related challenges such as, for example, a challenge pursuant to 21 U.S.C. § 355(j)(2)(A)(vii)(IV) or any challenge instituted in or by the USPTO, or any similar Litigation or challenges anywhere in the Territory, to any (i) product of Licensee or any of its Affiliates (including Tecfidera) or (ii) Licensed Intellectual Property.

SECTION 5.04. Licensee Maintenance, Prosecution and Litigation. Effective with respect to (i) the Designated Countries Licensed Intellectual Property (other than Licensor's European patent EP 2801355), as of the Effective Date, (ii) the U.S. Licensed Intellectual

Property, as of the Exclusive U.S. License Effective Date and (iii) Licensor's European patent EP 2801355 (Application No. 14172398.1), as of the date on which the European Opposition Proceeding has reached a final, unappealable conclusion:

(a) Licensor Obligations. Each of Licensor and the Additional Parties shall provide, and shall cause each of their respective controlled Affiliates to provide, at Licensee's cost and expense, any authorizations and powers of attorney as requested by Licensee in order for Licensee to take the actions contemplated by this Section 5.04(a), including to maintain the Licensed Patents, prosecute any applications included therein for registration and to opt-out from the exclusive competence of the European Unified Patent Court and to withdraw from any such opt-out.

(b) Licensee Prosecution Obligations. Licensee shall, at its sole cost and expense, take all reasonable measures to diligently file, prosecute and maintain the respective Licensed Intellectual Property and shall use commercially reasonable efforts not to decline to file, prosecute or maintain any Licensed Intellectual Property, elect to allow any Licensed Intellectual Property to lapse, or elect to terminate, abandon or otherwise impair any Licensed Intellectual Property, in each case without providing adequate advance notice to Licensor, and Licensor shall have the right to assume the prosecution and/or maintenance of such Licensed Intellectual Property.

(c) Litigation.

(i) Each of Licensor and the Additional Parties acknowledge and consent to Licensee's sole right to institute Litigation under the applicable Licensed Intellectual Property, including the right to damages, equitable relief, and to settle without consent, royalty or consideration of any kind to Licensor, the Additional Parties or any of their respective Affiliates; provided that all costs and expenses associated with any of the foregoing activities will be paid by Licensee;

(ii) Each of Licensor and the Additional Parties shall, and shall cause each of their respective controlled Affiliates to, notify Licensee promptly in writing if any infringement or potential infringement of the Licensed Intellectual Property by a Third Party is observed or suspected by Licensor, the Additional Parties or any of their respective controlled Affiliates, whereupon (A) Licensee may, in its own sole discretion and at its own expense, institute Litigation against any infringer or alleged infringer and control and defend such Litigation and recover any damages, awards or settlements resulting therefrom; (B) Licensee shall have sole control over any such Litigation including any defense, settlement, adjustment or compromise of any such Litigation; and (C) any and all recoveries from any such Litigation shall be solely and entirely for Licensee's account; and (D) if required by a Governmental Entity, applicable Law or Order to permit Licensee or any of its Affiliates to commence, pursue or defend any Litigation related to the Licensed Intellectual Property, each of Licensor and the Additional Parties shall, and shall cause each of their respective controlled Affiliates to, join as a party to any such Litigation if such joinder is reasonably necessary to advance Licensee's position.

(iii) If Licensee does not exercise its right to institute any such action, Licensee shall timely provide Licensor and the Additional Parties with Notice such that Licensor and the Additional Parties may, at their sole option, discretion, and expense, enforce the Licensed Intellectual Property or defend against any challenge with respect thereto. Upon request by Licensor, Licensee shall give to Licensor such reasonable assistance in the Litigation as Licensor may reasonably request, including by signing or executing any necessary documents and consenting to being named as a party to the proceedings. In such case, (A) Licensor and the Additional Parties may, in their own sole discretion and at their own expense, institute Litigation against any infringer or alleged infringer and control and defend such Litigation and recover any damages, awards or settlements resulting therefrom; (B) Licensor and the Additional Parties shall have sole control over any such Litigation including any defense, settlement, adjustment or compromise of any such Litigation; and (C) any and all recoveries from any such Litigation shall be solely and entirely for Licensor's and the Additional Parties' account; and (D) if required by a Governmental Entity, applicable Law or Order to permit Licensor, the Additional Parties or any of their respective Subsidiaries to commence, pursue or defend any Litigation related to the Licensed Intellectual Property, Licensee shall, and shall cause each of its controlled Affiliates to, join as a party to any such Litigation if such joinder is reasonably necessary to advance Licensor's and the Additional Parties' position.

(d) Notwithstanding anything to the contrary in Section 5.03, if at any time prior to the Exclusive U.S. License Effective Date in respect of the U.S. Licensed Intellectual Property, or prior to the date on which the European Opposition Proceeding has reached a final, unappealable conclusion in respect of Licensor's European patent EP 2801355 (Application No. 14172398.1), Licensor or any of the Additional Parties or any of their respective Affiliates has failed to, or notified Licensee that it does not intend to, diligently file, prosecute, and maintain the Licensed Intellectual Property and defend and pursue all Litigation against any infringer or alleged infringer of such Licensed Intellectual Property using its reasonable best efforts, Licensee shall have the right, but not the obligation, to file, prosecute, and maintain the Licensed Intellectual Property, and to defend and pursue Litigation, in which event, the foregoing Sections 5.04(a)-5.04(c) shall control.

(e) Notwithstanding Sections 5.04(a) and (b), if, at any time, Licensee has failed to, or has notified Licensor and the Additional Parties that it does not intend to, diligently file, prosecute, and maintain the Licensed Intellectual Property using its reasonable best efforts, Licensor and the Additional Parties shall have the right, but not the obligation, to, at Licensor's and the Additional Parties' sole cost and expense, file, prosecute and maintain the Licensed Intellectual Property upon reasonable notice to Licensee.

ARTICLE VI

Conditions Precedent

SECTION 6.01. Conditions for the Benefit of Each Party. The effectiveness of the Exclusive U.S. License is subject to the satisfaction or waiver (by each of the Parties) on or prior to the Exclusive U.S. License Effective Date of the following conditions:

(a) Governmental Approvals. Any waiting period under the HSR Act (including any extension thereof) applicable to the grant of the Exclusive U.S. License shall have expired or been earlier terminated and the authorizations, consents, orders or approvals of, or declarations or filings with, any Governmental Entity required by applicable Law, shall have occurred or been obtained (in each case, without the imposition of a Burdensome Condition).

(b) No Injunctions or Legal Restraints. No restraining order or injunction or other Order issued by any Governmental Entity of competent jurisdiction or Law or other legal restraint or prohibition (collectively, "Legal Restraints"), whether temporary or permanent, restraining, enjoining, preventing, prohibiting or otherwise making illegal or ineffective the grant of the Exclusive U.S. License shall be in effect.

SECTION 6.02. Frustration of Conditions to Effectiveness. None of Licensor, the Additional Parties or Licensee may rely on the failure of any condition set forth in this Article VI to be satisfied if such failure was caused by such Party's failure to comply with the terms of this Agreement.

ARTICLE VII

Representations and Warranties

SECTION 7.01. Representations and Warranties Regarding Licensor. Licensor represents and warrants to Licensee as of the Effective Date:

(a) Organization, Standing and Corporate Power. Licensor is a Danish limited liability company duly organized and validly existing under the Laws of Denmark. Licensor has the requisite power and authority to execute, deliver and perform its obligations under this Agreement and to consummate the Transactions.

(b) Authority; Noncontravention; Voting Requirements. (i) Subject to the receipt of the Licensor Shareholder Approval, Licensor has all necessary corporate power and corporate authority to execute and deliver this Agreement and the Aditech Addendum and to perform its obligations hereunder and thereunder and to consummate the Transactions and the transactions contemplated by the Aditech Addendum. As of the Effective Date, this Agreement and the Aditech Addendum have been duly authorized, executed and delivered by Licensor and constitute legal, valid and binding agreement of Licensor, enforceable in accordance with their terms, except to the extent that enforcement hereof or thereof may be limited by bankruptcy, insolvency, fraudulent

conveyance, reorganization, moratorium or other Laws affecting enforcement of creditors' rights or by general equitable principles. Except for obtaining the Licensor Shareholder Approval, no other corporate or shareholder action on the part of Licensor is necessary to authorize the execution, delivery and performance by Licensor (including any approval or action by the Board of Directors of Licensor and of this Agreement or the Aditech Addendum and the consummation by it of the Transactions or the transactions contemplated by the Aditech Addendum.

(ii) At a meeting of the Board of Directors of Licensor duly called and held (A) the disinterested members of the Board of Directors of Licensor, which do not form a quorum, declared in the best interests of Licensor and its shareholders, and therefore recommended the holders of Licensor Ordinary Shares approve the Transactions and the transactions contemplated by the Aditech Addendum and the execution, delivery and performance by Licensor of this Agreement and the Aditech Addendum and the consummation of the Transactions and the transactions contemplated by the Aditech Addendum, and (B) the Board of Directors of Licensor resolved to refer and submit the approval of this Agreement, the Aditech Addendum and the Transactions to a vote at a Licensor Shareholders' Meeting in accordance with the terms of this Agreement. The Board of Directors of Licensor has taken all necessary actions in accordance with applicable Law and the Licensor Articles to duly call and give notice (such notice, a "Notice of Meeting") of a meeting of holders of its Licensor Ordinary Shares for the purposes of obtaining Licensor Shareholder Approval.

(iii) As of the Effective Date, at a duly called and convened meeting of Licensor's holders of its Ordinary Shares (the "Licensor Shareholders' Meeting"), holders of at least two-thirds of the outstanding Licensor Ordinary Shares entitled to vote thereon, voting together as a single class, affirmatively voted (in person or by proxy) to approve the Transactions and the execution and delivery and performance by Licensor of this Agreement and the Aditech Addendum and the consummation of the Transactions and the transactions contemplated by the Aditech Addendum (the "Licensor Shareholder Approval"), and such Licensor Shareholder Approval, is the only vote of the holders of any class or series of capital stock of Licensor necessary to adopt this Agreement, the Aditech Addendum and approve and consummate the Transactions and the transactions contemplated by the Aditech Addendum.

(iv) The execution, delivery and performance by Licensor of this Agreement and the Aditech Addendum and the consummation of the Transactions and the transactions contemplated by the Aditech Addendum (in each case, alone or in combination with any other event) will not (A) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under any Contract to which Licensor or any of its Affiliates is a party or by which Licensor or any of its Affiliates is bound or to which any of the property or assets of Licensor or any of its Affiliates is subject, (B) impair or impose a Lien (other than the restrictions set forth in this Agreement or a Permitted Lien) on any of the Licensed Intellectual Property, (C) assuming the receipt of Licensor Shareholder Approval, violate any provision of the organizational documents of Licensor or any of its Affiliates, (D) violate any Law or

judgment, order, writ, injunction, legally binding agreement with a Governmental Entity, stipulation or decree, including any binding decree of any arbitrator (each, an "Order") applicable to Licensor or any of its Affiliates or any of their respective properties, or (E) grant any rights of appraisal to any holder of Licensor Ordinary Shares, except, in the case of clauses (A) and (D), as would not reasonably be expected to impair in any material respect the ability of

Licensor or any of its Affiliates to perform their obligations under this Agreement or the Aditech Addendum or prevent or materially impede, interfere with, hinder or delay the consummation of any of the Transactions and the transactions contemplated by the Aditech Addendum; and no filing with or Consent, approval, authorization, Order, registration or qualification of or with any Governmental Entity is required for the execution, delivery and performance by Licensor of its obligations under this Agreement or the Aditech Addendum, except, (i) in the case of this Agreement, for the filing of a notification and report by Licensor under the HSR Act and where the failure to obtain or make any such filing, Consent, approval, authorization, Order, registration or qualification would not reasonably be expected to impair in any material respect the ability of Licensor to perform its obligations under this Agreement or the Aditech Addendum or prevent or materially impede, interfere with, hinder or delay the consummation of any of the Transactions or the transactions contemplated by the Aditech Addendum.

(c) Shareholder Meeting Materials. As of the Effective Date and the time it or any amendment or supplement thereto was first published, sent or given to the shareholders of Licensor, or at the time of the Licensor Shareholders' Meeting , the Shareholder Meeting Materials (including any amendment or supplement thereto) did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. As of the same times, the Shareholder Meeting Materials complied as to form in all material respects with applicable Law. Notwithstanding the foregoing, Licensor makes no representation or warranty with respect to statements made or incorporated by reference therein based on information supplied by or on behalf of Licensee or any Affiliates thereof for inclusion or incorporation by reference in the Shareholder Meeting Materials.

(d) Legal Proceedings. Excepting the Litigation involving (i) the Interference; (ii) Licensor's European patent EP 2 801 355 (Application No. 20140172398); (iii) Licensor's German Utility Model DE202005002112U1; (iv) the European Opposition Proceeding; (v) Appeal T 1537/16-3.3.07 regarding the opposition to Licensor's European patent EP 2 379 063 (Application No. 10 700 730.4) at the European Patent Office; and (vi) Appeal T 1490/15-3.3.07 regarding the opposition to Licensor's European patent EP 2 316 430 (Application No. 10 182 198.1) at the European Patent Office, as of the Agreement Date there is no Litigation pending or, to the knowledge of Licensor, threatened in writing, before or by any Governmental Entity against Licensor or any of its Affiliates that involves or that would reasonably be expected to involve the Licensed Intellectual Property or that, individually or in the aggregate, would reasonably be expected to impair in any material respect the ability of Licensor or any of its controlled Affiliates to perform their obligations under this

Agreement or the Aditech Addendum or prevent or materially impede, interfere with, hinder or delay the consummation of any of the Transactions or any of the transactions contemplated by the Aditech Addendum, nor are there any Orders outstanding against Licensor or any of its Affiliates that involve or that would reasonably be expected to involve the Licensed Intellectual Property or that, individually or in the aggregate, would reasonably be expected to impair in any material respect the ability of Licensor or any of its controlled Affiliates to perform their obligations under this Agreement or the Aditech Addendum or prevent or materially impede, interfere with, hinder or delay the consummation of any of the Transactions or any of the transactions contemplated by the Aditech Addendum.

(e) Intellectual Property.

(i) As of the Agreement Date, Licensor or a wholly-owned Subsidiary of Licensor (1) owns or controls, or has the right to grant a license in, to or under the Licensed Intellectual Property, free and clear of all Liens (other than Permitted Liens) including licenses granted in, to or under the Licensed Intellectual Property and (2) possesses all rights necessary to grant the licenses contemplated by this Agreement under the Licensed Intellectual Property, except (w) for any adverse effect the Interference Proceeding, the European Opposition Proceeding, the Litigation involving European patent EP 2 801 355 (Application No. 20140172398) and German Utility Model DE202005002112U1, Appeal T 1537/16-3.3.07 regarding the opposition to Licensor's European patent EP 2 379 063 (Application No. 10 700 730.4) at the European Patent Office, and Appeal T 1490/15-3.3.07 regarding the opposition to Licensor's European patent EP 2 316 430 (Application No. 10 182 198.1) at the European Patent Office or the terms of this Agreement have on the ownership, control or ability to license the Licensed Intellectual Property and (x) with respect to the Licensed Intellectual Property other than the Patents included in the Licensed Intellectual Property, as would not be expected to have a material effect on Licensor, Licensee, any of their respective Affiliates or the Transactions; provided that Licensor does not represent or warrant that Licensed Intellectual Property which is licensed by a Third Party to Licensor or a wholly-owned Subsidiary of Licensor is free and clear of all Liens.

(ii) Other than the Additional Parties, none of Licensor's Affiliates, has or has had at any time in the twelve (12) months prior to the Agreement Date, any right, title or interest in, to or under any Intellectual Property relating to the use of a fumaric acid ester to treat multiple sclerosis.

(iii) As of the Agreement Date, there is no Litigation (A) pending or threatened by Licensor, Aditech or any Affiliate of Licensor having (at any time) any right in any of the Licensed Intellectual Property to enforce the Licensed Intellectual Property or (B) pending, threatened in writing or, to the knowledge of Licensor, threatened orally or otherwise asserted, that challenges or contests the legality, validity, enforceability, registrability, alienability, use or ownership of any of the Licensed Intellectual Property, in each of (A) and (B), (x) except the Interference Proceeding, Appeal T 1773/16-3.3.02 regarding the Opposition against Licensee's European patent

EP 2 137 537 (Application No. 8 725 256.5) at the European Patent Office, the Litigation involving Licensor's European patent EP 2 801 355 (Application No. 20140172398) and the Litigation involving Licensor's German Utility Model DE202005002112U1, Appeal T 1537/16-3.3.07 regarding the opposition to Licensor's European patent EP 2 379 063 (Application No. 10 700 730.4) at the European Patent Office and Appeal T 1490/15-3.3.07 regarding the opposition to Licensor's European patent EP 2 316 430 (Application No. 10 182 198.1) at the European Patent Office and (y) except, with respect to the Licensed Intellectual Property other than the Patents included in the Licensed Intellectual Property, the Licensor shall not be in breach of (A) and/or (B) above if the non compliance with (A) and/or (B) above does not have a material effect on Licensee, or any of its respective Affiliates or the Transactions.

(iv) (A) Licensor and each of its Affiliates that holds or has held any Licensed Intellectual Property have taken all commercially reasonable steps to obtain, maintain and protect the extant Patents of the Licensed Intellectual Property in the U.S. and Europe, except as would not have a material effect on Licensee and (B) excepting those agreements listed in Appendix B, Licensor has not, since December 31, 2015 transferred, sold, conveyed or assigned any Intellectual Property to any other Person.

(v) All Patents included in the Licensed Intellectual Property are lawfully held in Denmark. For avoidance of doubt, Patents are deemed to be lawfully held in Denmark where such Patents are owned by an entity organized under the laws of Denmark and having a principal place of business in Denmark.

(vi) Licensor does not own or hold any rights in, to or under any trademarks, service marks, trade dress, logos, trade names, corporate names or Internet domain names except (A) the trademark rights in "FP-187" licensed to Licensee hereunder, including those trademark rights listed in Appendix A and (B) any such rights including or containing the words "Forward Pharma".

(vii) Licensor provides no warranty, express or implied, that any Patents of the Licensed Intellectual Property will issue after the Agreement Date or that any granted Patent which has issued or will issue from the Licensed Intellectual Property is or will be valid and enforceable, or that, after the date of this Agreement, the sale or distribution of any Licensed Product or Infringing Product will not infringe the patent or other proprietary rights of any Third Party.

(viii) The licenses and other rights granted in this Agreement do not (A) materially conflict with any Contract to which Licensor, or any of its Affiliates having any right in any of the Licensed Intellectual Property, is subject or (B) create or bring into effect any material rights involving any Third Party.

(ix) Licensor and each of its Affiliates having, on or at any time within the three years preceding the Agreement Date, any right in any of the Licensed Intellectual Property, are in material compliance with, and have at all times on and during the three years preceding the Agreement Date, been in material compliance with, the terms of all

third-party licenses and other obligations related to or included in the Licensed Intellectual Property.

(f) Shareholders' Register. Licensor has delivered to Licensee an updated copy of its shareholders' register which bears a notation indicating that the Specified Shareholders' Licensor Ordinary Shares are subject to the provisions and restrictions of the Shareholders Commitment Agreement.

(g) Employment Matters. No current or former employee, director or other service provider of Licensor or any of its Affiliates other than those set forth on Appendix H, is or shall be entitled to employment with, or any compensation or benefit from, Licensee or any of its Affiliates as a result of the consummation of the Transactions (alone or in combination with any other event).

(h) Legal Matters. Licensor has delivered, or caused to be delivered to Licensee, the opinion of Danish counsel stating that Licensor, subject to the receipt of the Licensor Shareholder Approval, has the requisite power and authority to execute, deliver and perform its obligations under this Agreement.

(i) Finders or Brokers; Fees. No agent, broker, investment banker or other firm or Person is or will be entitled to any broker's or finder's fee or any other commission or similar fee in connection with any of the Transactions as a result of any action taken by Licensor or any Additional Party.

(j) Aditech Addendum. As of the Agreement Date, Licensor has made available to Licensee a true, complete and correct copy of the Patent Transfer Agreement and, as of the Effective Date, the Aditech Addendum between Licensor, on the one hand, and Aditech, on the other hand, and true, complete and correct copies of all other material Contracts, if any, between such parties and any of their respective Affiliates relating to the Licensed Intellectual Property.

(k) Documents Provided. As of the Agreement Date, Licensor has made available to Licensee true, complete and correct copies of (i) all material Contracts of Licensor or its Affiliates related to the Licensed Intellectual Property, including all licenses and other agreements, arrangements or understandings granting any rights or options in, to or under any items included in the Licensed Intellectual Property, (ii) all material nonpublic assignment documents; (iii) schedules demonstrating that any annuity fees, maintenance fees and the like that have become due prior to the Agreement Date have been timely paid for all Patents extant as of the Agreement Date and included in the Licensed Intellectual Property; (iv) references relating to all Patents included in the Licensed Intellectual Property; (v) any judgments relating to the Licensed Intellectual Property and any material documentation regarding any litigation, oppositions, interferences or any other adversarial proceedings related to the Licensed Intellectual Property or to third party intellectual property, as filed or otherwise asserted by or against Licensor, excluding the Interference Proceeding, the European Opposition Proceeding, Appeal T 1773/16-3.3.02 regarding the Opposition against Licensee's European patent EP 2 137 537 (Application No. 8 725 256.5) at the European Patent Office, the Litigation

involving Licensor's European patent EP 2 801 355 (Application No. 20140172398) and the Litigation involving Licensor's German Utility Model DE202005002112U1, Appeal T 1537/16-3.3.07 regarding the opposition to Licensor's European patent EP 2 379 063 (Application No. 10 700 730.4) at the European Patent Office and Appeal T 1490/15-3.3.07 regarding the opposition to Licensor's European patent EP 2 316 430 (Application No. 10 182 198.1) at the European Patent Office and (vi) any assertions or claims of ownership, inventorship, or rights to practice any Patent included in the Licensed Intellectual Property by any party (other than Licensee and their Affiliates) not identified in the applicable Patent application as an owner or inventor.

(l) Maintenance Fees. Licensor has timely paid all maintenance fees and annuities related to the Patents of the Licensed Intellectual Property extant as of the Agreement Date.

SECTION 7.02. Representations and Warranties Regarding the Additional Parties. Each of the Additional Parties represents and warrants to Licensee as the Effective Date:

(a) Organization, Standing and Corporate Power. Such Additional Party is duly organized and validly existing. Such Additional Party has the requisite power and authority to execute, deliver and perform its obligations under this Agreement and to consummate the

Transactions.

(b) Authority. As of the Effective Date, this Agreement has been duly authorized, executed and delivered by the applicable Additional Party and constitutes a legal, valid and binding agreement of the applicable Additional Party, enforceable in accordance with its terms, except to the extent that enforcement hereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other Laws affecting enforcement of creditors' rights or by general equitable principles.

(c) Noncontravention. The execution, delivery and performance by such Additional Parties of this Agreement and the consummation of the Transactions (alone or in combination with any other event) will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under any Contract to which such Additional Party or any of its Affiliates is a party or by which such Additional Party or any of its Affiliates is bound or to which any of the property or assets of such Additional Party or any of its Affiliates is subject, (ii) violate any provision of the organizational documents of such Additional Party or any of its Affiliates or (iii) violate any Law or Order applicable to such Additional Party or any of its Affiliates or their respective properties, except, in the case of clauses (i) and (iii), as would not reasonably be expected to impair in any material respect the ability of such Additional Party to perform its obligations under this Agreement or prevent or materially impede, interfere with, hinder or delay the consummation of any of the Transactions; and no filing with or Consent, approval, authorization, Order, registration or qualification of or with any Governmental Entity, is required for the execution, delivery and performance by such Additional Party of its obligations under this Agreement, except where the failure to obtain or make any such filing, Consent, approval, authorization, Order, registration or qualification would not reasonably be expected to impair in any material respect the

ability of such Additional Party to perform its obligations under this Agreement or prevent or materially impede, interfere with, hinder or delay the consummation of any of the Transactions.

SECTION 7.03. Representations and Warranties Regarding Licensee. Licensee represents and warrants to Licensor as of the Agreement Date and the Effective Date:

(a) Organization, Standing and Corporate Power. U.S. Licensee is a limited liability company duly organized, validly existing and in good standing under the Laws of Switzerland and Designated Countries Licensee is a limited company duly organized, validly existing and in good standing under the Laws of Bermuda. U.S. Licensee and Designated Countries Licensee have the requisite power and authority to execute, deliver and perform its obligations under this Agreement and the consummation of the Transactions.

(b) Authority. As of the Effective Date, this Agreement has been duly authorized, executed and delivered by Licensee and constitutes a legal, valid and binding agreement of Licensee, enforceable in accordance with its terms, except to the extent that enforcement hereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other Laws affecting enforcement of creditors' rights or by general equitable principles.

(c) Noncontravention. The execution, delivery and performance by Licensee of this Agreement and the consummation of the Transactions (alone or in combination with any other event) will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under any Contract to which Licensee or any of its Affiliates is a party or by which Licensee or any of its Affiliates is bound or to which any of the property or assets of Licensee or any of its Affiliates is subject, (ii) violate any provision of the organizational documents of Licensee or any of its Affiliates or (iii) violate any Law or Order applicable to Licensee or any of its Affiliates or their respective properties, except, in the case of clauses (i) and (iii), as would not reasonably be expected to impair in any material respect the ability of Licensee to perform its obligations under this Agreement or prevent or materially impede, interfere with, hinder or delay the consummation of any of the Transactions; and no filing with or Consent, approval, authorization, Order, registration or qualification of or with any Governmental Entity, is required for the execution, delivery and performance by Licensor of its obligations under this Agreement, except for the filing of a notification and report under the HSR Act and where the failure to obtain or make any such filing, Consent, approval, authorization, Order, registration or qualification would not reasonably be expected to impair in any material respect the ability of Licensee to perform its obligations under this Agreement or prevent or materially impede, interfere with, hinder or delay the consummation of any of the Transactions.

SECTION 7.04. No Additional Representations. Each Party represents and acknowledges that (i) none of the Parties or any of the respective Affiliates, shareholders, directors, officers, employees, counsel, advisors, representatives or agents (collectively, "Agents") or any other Person has made any representation or warranty, express or implied, as to

any Licensed Intellectual Property, or the accuracy or completeness of any information regarding any Party or that any Party furnished or made available to any other Party or its Agents, except as expressly set forth in this Agreement, (ii) such Party has not relied on any representation or warranty from any other Party or any other Person in determining to enter into this Agreement, except as expressly set forth in this Agreement, and (iii) none of the Parties or any other Person shall have or be subject to any liability, whether in law or in equity and whether sounding in contract, tort or otherwise, to any Party or any other Person resulting from the provision of any such information to any other Party or its Agents, or use by any other Party or its Agents of any such information, including any information, documents or material made available in the data room or management presentations in expectation of the Transactions.

ARTICLE VIII

General Provisions

SECTION 8.01. Amendment; Extension; Waiver. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the Parties; provided, however, there shall be no amendment or change to the provisions hereof which by applicable Law would require further approval by the shareholders of Licensor without such shareholder approval. Any agreement on the part of a Party to any extension or waiver with respect to this Agreement shall be valid only if set forth in an instrument in writing signed on behalf of such Party; provided, however, that there shall be no waiver of this Agreement which by applicable Law requires further approval by the shareholders of Licensor without such shareholder approval. The failure of any Party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

SECTION 8.02. Survival of Covenants, Agreements, Representations, Warranties, Obligations and Undertakings. The representations, warranties, covenants, agreements, obligations and undertakings in this Agreement shall survive the Exclusive U.S. License Effective Date (unless otherwise indicated).

SECTION 8.03. Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery by hand, by registered or certified mail (postage prepaid, return receipt requested) or by email with a copy by mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified by like notice) (each, a "Notice"):

if to Licensee, to:

Biogen Inc.
225 Binney Street
Cambridge, MA 02142
Attention: General Counsel
Email: susan.alexander@biogen.com

and

with a copy to (which copy does not constitute notice):

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019-7475
Attention: Mark I. Greene
David J. Kappos
O. Keith Hallam, III
Email: mgreene@cravath.com
dkappos@cravath.com
khallam@cravath.com

if to Licensor, to:

Forward Pharma FA ApS
Östergade 24A, 1st Floor
100 Copenhagen K,
Denmark
Attention: Florian Schönharting
Email: fs@nordicbiotech.com

with a copy to (which copy does not constitute notice):

Sidley Austin LLP
787 Seventh Avenue
New York, NY 10019
Attention: Michael A. Gordon
Scott M. Freeman
Email: mgordon@sidley.com
sfreeman@sidley.com

if to Licensor Authorized Agent, to:

Forward Pharma USA, LLC
7 Skyline Drive, Suite 350
Hawthorne, New York 10532
United States
Attention: Florian Schönharting
Email: fs@nordicbiotech.com

if to any or all of the Additional Parties, to:

The Representative
Forward Pharma A/S
Østergade 24A, 1
1100 Copenhagen K
Denmark

Attention: Florian Schönharting
Email: fs@nordicbiotech.com

with a copy to (which copy does not constitute notice):

Sidley Austin LLP
787 Seventh Avenue
New York, NY 10019
Attention: Michael A. Gordon
Scott M. Freeman

Email: mgordon@sidley.com
sfreeman@sidley.com

if to Additional Parties Authorized Agent, to:

Forward Pharma USA, LLC
7 Skyline Drive, Suite 350
Hawthorne, New York 10532
United States
Attention: Florian Schönharting
Email: fs@nordicbiotech.com

with a copy to (which copy does not constitute notice):

Sidley Austin LLP
787 Seventh Avenue
New York, NY 10019
Attention: Michael A. Gordon
Scott M. Freeman

Email: mgordon@sidley.com
sfreeman@sidley.com

SECTION 8.04. Interpretation. The headings contained in this Agreement and in the table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require,

any pronoun shall include the corresponding masculine, feminine and neuter forms. The word “will” shall be construed to have the same meaning as the word “shall”. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “extent” in the phrase “to the extent” shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply “if”. The word “or” shall not be exclusive. The phrase “date of this Agreement” shall be deemed to refer to the Agreement Date. All references to “dollars” or “$” shall refer to the lawful money of the United States, and all references to “krone” or “DKK” shall refer to the lawful money of Denmark. Unless the context requires otherwise (i) any definition of or reference to any Contract, instrument or other document or any Law herein shall be construed as referring to such Contract, instrument or other document or Law as from time to time amended, supplemented or otherwise modified, (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (iv) all references herein to articles, sections and appendices shall be construed to refer to articles and sections of, and appendices to, this Agreement. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

SECTION 8.05. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic image scan transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8.06. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law, or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions contemplated hereby is not affected in any manner materially adverse to any Party or such Party waives its rights under this Section 8.06 with respect thereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the Transactions are fulfilled to the extent possible. Notwithstanding the foregoing, the Parties intend that this Section 8.06 be construed as an integral provision of this Agreement and that the provisions of this Agreement shall not be severable in any manner that diminishes a Party’s rights hereunder or increases a Party’s liability or obligations hereunder.

SECTION 8.07. Entire Agreement; Third-Party Beneficiaries; No Other Representations or Warranties.

(a) This Agreement, the Aditech Addendum, the Aditech Letter Agreement and the Shareholders Commitment Agreement (i) constitute the entire agreement, and supersede all prior agreements and understandings, both written and oral, among the Parties and their Affiliates, or any of them, with respect to the subject matter

of this Agreement and the Shareholders Commitment Agreement and (ii) except as specified in Section 2.01, Section 2.10 and the Aditech Addendum, are not intended to confer upon any Person other than the Parties hereto or thereto and the Released Parties, as applicable, any rights or remedies.

(b) Except for the representations and warranties contained in Article VII, or in any certificate delivered to Licensee in connection with the Transactions, Licensee acknowledges that (i) none of Licensor, the Additional Parties or any Person on behalf of Licensor or the Additional Parties makes any other express or implied representation or warranty with respect to Licensor, the Additional Parties or any of their respective Affiliates or with respect to any other information made available to Licensee in connection with the Transactions, and (ii) Licensee has not relied on any representation, warranty or other statement made by Licensor, the Additional Parties or any Representative of Licensor or the Additional Parties other than those set forth in Section 7.01.

(c) Except for the representations and warranties contained in Article VII, each of Licensor and the Additional Parties acknowledges that (i) none of Licensee or any other Person on behalf of Licensee makes any other express or implied representation or warranty with respect to Licensee or with respect to any other information made available to Licensor in connection with the Transactions, and (ii) each of Licensor and the Additional Parties has not relied on any representation, warranty or other statement made by Licensee or any Representative of Licensee other than those set forth in Section 7.03.

SECTION 8.08. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS THEREOF, EXCEPT (A) THAT ANY CONTROVERSY, CLAIM OR DISPUTE INVOLVING INFRINGEMENT OR VALIDITY OF INTELLECTUAL PROPERTY SHALL BE DETERMINED ACCORDING TO THE LAWS UNDER WHICH SUCH INTELLECTUAL PROPERTY IS REGISTERED OR OTHERWISE PROTECTED OR ENJOYABLE, ON A COUNTRY-BY-COUNTRY BASIS AND (B) TO THE EXTENT DANISH LAW IS MANDATORILY APPLICABLE TO THIS AGREEMENT OR THE TRANSACTIONS.

SECTION 8.09. Assignment. Licensee may assign, in whole or in part, in its sole discretion and without the consent of Licensor, this Agreement and any or all of its rights, interests and obligations hereunder to any other Person, but no such assignment shall relieve Licensee of its obligations under this Agreement if such assignee does not perform such obligations. Licensor and the Additional Parties may not assign this Agreement or any of their respective rights, interests, or obligations hereunder, in whole or in part, by operation of Law or otherwise to any other Person without the prior written consent of Licensee; provided, however, that Licensor may assign its rights to receive royalty payments pursuant to Sections 4.02 and 4.03 of this Agreement, and other ancillary rights as reasonably necessary to assign its rights to receive royalty payments, to another Person without the prior written consent of Licensee.

Subject to the first two sentences of this Section 8.09, this Agreement will be binding upon, inure to the benefit of and be enforceable by, the Parties and their respective successors and assigns.

SECTION 8.10. Dispute Resolution.

(a) Each of the Parties hereto irrevocably and unconditionally submits, for itself and its property, to the jurisdiction of the federal and state courts in the County of New York in the State of New York. Each of the Parties hereto further agrees that, to the fullest extent permitted by applicable Law, service of any process, summons, notice or document by U.S. registered mail to such Person's respective address set forth in Section 8.03 shall be effective service of process for any such controversy, claim or dispute in New York with respect to any matters to which it has submitted to jurisdiction as set forth above in the immediately preceding sentence. Nothing in this Agreement will affect the right of any Party to this Agreement to serve process in any other manner permitted by applicable Law. Each of the Parties hereto irrevocably and unconditionally waives (and agrees not to plead or claim) any objection to the laying of venue of any such controversy, claim or dispute in the courts in the County of New York in the State of New York, or that any such controversy, claim or dispute brought in any court in the County of New York in the State of New York has been brought in an inconvenient forum.

(b) Any controversy, claim or dispute brought by Licensor or any of its Affiliates against Licensee or any of its Affiliates arising out of or relating to this Agreement or any breach hereof by Licensee shall be brought in the courts in the County of New York in the State of New York.

(c) Any controversy, claim or dispute brought by Licensee or any of its Affiliates against Licensor, the Additional Parties or any of their respective controlled Affiliates arising out of or relating to this Agreement or any breach hereof by Licensor or the Additional Parties may either be brought in the courts in the County of New York in the State of New York or resolved by confidential arbitration conducted and administered by JAMS or any successor entity thereto ("JAMS"), in accordance with its Comprehensive Rules and Procedures. The arbitration shall be conducted in the County of New York, in the State of New York.

(d) In the event of an arbitration, an organizational meeting shall be held within 90 days of service of the initial arbitration demand. The arbitration shall be conducted by a panel of three arbitrators. Where there is a conflict between the JAMS rules and this clause, the provisions of this clause shall govern. Each Party shall select one arbitrator and the two arbitrators shall select a third arbitrator, who will chair the panel. The persons considered for selection as arbitrators shall not be limited to persons identified by JAMS. The arbitrator(s) shall be neutral and independent of each Party. There shall be no ex parte communications with the Party arbitrator(s) after the first organizational meeting. The confidentiality of all proceedings related to any arbitration shall be strictly maintained, as shall the confidentiality of any documents, deposition testimony, or other information exchanged in relation to the arbitration proceedings

(except as information may be required in any judicial proceeding brought to enforce these arbitration provisions or any award rendered hereunder).

(i) The panel shall be requested to use reasonable efforts to render its decision and award within 30 days after the close of evidence and, in any event, within three months of the first organizational meeting. The panel shall allow reasonable discovery, relevant to the issues before it, subject to the goal of completing the proceedings within the specified time frame. Each Party shall be limited to a maximum total number of four depositions (each deposition not to exceed seven hours), except with respect to custodial depositions for purposes of authenticating documents and, in extraordinary cases, as approved by the panel.

(ii) The panel shall render findings of fact and conclusions of Law and a written opinion setting forth the basis and reasons for any decision reached. In rendering an award, the panel shall determine the rights and obligations of the Parties according to the substantive Laws of the State of New York and of the United States, except (A) that any controversy, claim or dispute involving infringement or validity of Intellectual Property shall be determined according to the Laws under which such Intellectual Property is registered or otherwise protected or enjoyable, on a country-by-country basis and (B) to the extent Danish law is mandatorily applicable. The decision of the panel shall be final and binding.

(iii) The panel shall have the authority to grant any equitable or legal relief that would be available in any judicial proceeding instituted to resolve the disputed matter, including interim relief, but the panel shall not have the authority to grant any remedies the Parties have waived in the Agreement or to award special, punitive or exemplary damages.

(iv) Any decision or award of the panel shall be subject to the appeal by any Party in accordance with the Optional Appeal Procedure of JAMS.

(v) Each of the Parties agrees that it will not bring any action relating to the interpretation, application or enforcement of the provisions of this Section 8.10(d) or seeking emergency or temporary relief prior to appointment of the panel, in any court other than (A) courts in the County of New York in the State of New York, or (B) the Danish Maritime and Commercial Court in Copenhagen, and the Laws of the State of New York shall apply to any such action, except (y) that any controversy, claim or dispute involving infringement or validity of Intellectual Property shall be determined according to the Laws under which such Intellectual Property is registered or otherwise protected or enjoyable, on a country-by-country basis and (z) to the extent Danish law is mandatorily applicable. With respect to any such action, each of the Parties hereby irrevocably consents to and submits itself to the personal jurisdiction of (1) the courts in the County of New York in the State of New York and (2) the Danish Maritime and Commercial Court in Copenhagen, and irrevocably waives any objection to the laying of venue of any such action in such court or that any such court is an inconvenient forum. Each of the Parties hereby waives any rights such Party may have to personal service of a summons, complaint or other process in connection with such an

action and agrees that service may be made by registered or certified mail addressed to such Party and sent in accordance with the provisions of this Agreement. The Parties acknowledge and agree that, upon appointment of the panel, it shall have the exclusive authority to grant relief.

(vi) The Parties hereby also consent to the personal jurisdiction of (A) the courts in the County of New York in the State of New York and (B) the Danish Maritime and Commercial Court in Copenhagen, for the purpose of confirming any award and entering judgment thereon and irrevocably waive any objection to the laying of venue of any such action in such court or that any such court is an inconvenient forum. Each of the Parties hereby waives any rights such Party may have to personal service of a summons, complaint or other process in connection with such an action and agrees that service may be made by registered or certified mail addressed to such Party and sent in accordance with the provisions of this Agreement.

(e) Each Party agrees that the losing party (as determined by the court or arbitral panel) in any Litigation or arbitration brought or held in accordance with this Section 8.10 shall promptly reimburse the other Parties for all their reasonable, documented, out-of-pocket attorneys' fees and expenses incurred in connection with such Litigation or arbitration.

SECTION 8.11. Authorized Agent.

(a) Licensor hereby designates Forward Pharma USA, LLC as its authorized agent (the "Licensor Authorized Agent"), upon whom process may be served to enforce this Agreement in connection with any Litigation that may be instituted in any court described in this Section 8.11. Licensor hereby agrees to take any and all action, including the filing of any and all documents that may be necessary to establish and continue such appointment in full force and effect as aforesaid. Licensor hereby agrees that service of process upon the Licensor Authorized Agent shall be, in every respect, effective service of process upon Licensor.

(b) The Additional Parties hereby designate Forward Pharma USA, LLC as their authorized agent (the "Additional Parties Authorized Agent"), upon whom process may be served to enforce this Agreement in connection with any Litigation that may be instituted in any court described in this Section 8.11. The Additional Parties hereby agree to take any and all action, including the filing of any and all documents that may be necessary to establish and continue such appointment in full force and effect as aforesaid. The Additional Parties hereby agree that service of process upon the Additional Parties Authorized Agent shall be, in every respect, effective service of process upon the Additional Parties.

SECTION 8.12. Specific Enforcement. The Parties acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with its specific terms or were otherwise breached, and that monetary damages, even if available, would not be an adequate remedy therefor. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions, or any other

appropriate form of equitable relief, to prevent breaches of this Agreement and to enforce specifically the performance of the terms and provisions of this Agreement in any court or before any panel of arbitrators referred to in Section 8.10, without the necessity of proving the inadequacy of money damages as a remedy (and each Party hereby waives any requirement for the securing or posting of any bond in connection with such remedy), this being in addition to any other remedy to which they are entitled at law or in equity. Each of the Parties acknowledges and agrees that the right of specific enforcement is an integral part of the Transactions and without such right, none of the Parties would have entered into this Agreement.

SECTION 8.13. Indirect Damages. In no event shall either Party have any liability under any provision of this Agreement for any special, punitive, incidental, consequential, special or indirect damages, including (i) loss of future revenue or income, (ii) loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or (iii) diminution of value or any damages based on any type of multiple, whether based on statute, contract, tort or otherwise, and whether or not arising from the other Party's sole, joint, or concurrent negligence, strict liability, criminal liability or other fault.

SECTION 8.14. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH PARTY WOULD NOT, IN THE EVENT OF ANY LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 8.14.

SECTION 8.15. Rights in Bankruptcy.

(a) All rights and licenses granted to Licensee or any of its Affiliates under or pursuant to this Agreement are intended to be, and will be deemed to be, for purposes of Title 11 of the United States Code, as amended from time to time (the "Bankruptcy Code"), licenses of rights to "intellectual property" as defined under Section 101 of the Bankruptcy Code. The Parties agree that Licensee, any of its Affiliates or its or its Affiliates' sublicensees will retain and may fully exercise all of their respective rights and elections as licensees of intellectual property in the event any case is commenced with respect to Licensor or any of its Affiliates under the Bankruptcy Code (whether a plenary case or an ancillary case under Chapter 15 of the Bankruptcy Code). The Parties further agree and acknowledge that enforcement by Licensee, any of its Affiliates or its or its Affiliates' sublicensees of any of their respective rights under Section 365(n) of the Bankruptcy Code in connection with this Agreement shall not violate the automatic stay of Section 362 of the Bankruptcy Code and waive any right to object on such basis. If Licensor, the Additional Parties or any of their respective controlled Affiliates commence a case under the Bankruptcy Code after the Agreement Date or otherwise become the

subject of a case under the Bankruptcy Code commenced after the Agreement Date, voluntarily or involuntarily and whether a plenary case or an ancillary case under Chapter 15 of the Bankruptcy Code (such entity, a "Filing Party"), (i) Licensee, its Affiliates and its and its Affiliates' sublicensees shall have all rights provided for under Section 365(n) of the Bankruptcy Code (and the Parties hereby agree and acknowledge that such rights are necessary to ensure that the interests of Licensee, and its Affiliates and its and its Affiliates' sublicensees are "sufficiently protected" in the case of an ancillary case under Chapter 15 of the Bankruptcy Code) and (ii) in addition to and not in lieu of any other right or remedy Licensee or any of its Affiliates or their respective sublicensees (the "Non-Filing Party") may have under this Agreement or Section 365(n) of the Bankruptcy Code, the Non-Filing Party shall have the right to obtain, and the Filing Party or any trustee for the Filing Party or its assets shall, at the Non-Filing Party's written request to the Filing Party, deliver a copy of all embodiments held by the Filing Party of any Intellectual Property rights licensed to the Non-Filing Party under or pursuant to this Agreement, including such embodiments necessary for the Non-Filing Party to exercise its rights hereunder. In addition, the Filing Party shall take all steps reasonably requested by the Non-Filing Party to perfect, exercise and enforce its rights hereunder, including filings in the USPTO, U.S. Copyright Office or other similar Governmental Entity, and under the Uniform Commercial Code.

(b) To the extent any license of rights under or pursuant to this Agreement does not constitute a license to "intellectual property" as defined under Section 101 of the Bankruptcy Code (such licensed property, "Specified IP"), each of Licensor, the Additional Parties and their respective controlled Affiliates, in its position of licensor hereunder, hereby acknowledges and agrees that: (i) this Agreement is a material inducement to U.S. Licensee and Designated Countries Licensee paying Licensor their respective portions of the Upfront Fee and the Royalty Consideration pursuant to this Agreement and Licensee relying on this Agreement in connection with its business and investment planning; (ii) this Agreement is not an executory contract and does not contain any material, ongoing obligations on Licensee, any of its Affiliates or its or its Affiliates' sublicensees relevant to the standard governing executory contracts; (iii) the Parties hereby acknowledge and agree that (A) any Specified IP is closely related to the other Licensed Intellectual Property that constitutes "intellectual property" as defined under Section 101 of the Bankruptcy Code and (B) in the event Licensee, any of its Affiliates or its or its Affiliates' sublicensees were to lose their rights in and to any Specified IP included in the Licensed Intellectual Property, irreparable damage would occur to Licensee or such Affiliate or sublicensee for which monetary damages alone could not provide sufficient remedy to Licensee or such Affiliate or sublicensee; accordingly, Licensor and the Additional Parties (and any debtor-in-possession or trustee or foreign representative of the business of Licensor or the Additional Parties, as applicable) cannot and shall not attempt to reject this Agreement pursuant to Section 365 of the Bankruptcy Code or any foreign equivalent; and (iv) in the event Licensor or any of the Additional Parties (or any debtor-in-possession or trustee or foreign representative of the business of Licensor or such Additional Party, as applicable) does seek to reject this Agreement and in the event such relief is granted, (A) the rejection shall be treated merely as breach of the contract and not its avoidance, rescission, or termination,

(B) such rejection shall not terminate Licensee's right to use such license and shall have no effect upon the contract's continued existence, (C) Licensee, any of its Affiliates or its or its Affiliates' sublicensees may elect rights under Section 365(n) of the Bankruptcy Code or any foreign equivalent, and **(D)** Licensee, any of its Affiliates or its or its Affiliates' sublicensees shall be entitled to seek other equitable treatment relating to such rejection.

SECTION 8.16. Further Assurances. Each of the Parties agree to execute and deliver (and to cause their respective controlled Affiliates to execute and deliver), upon the written request of any Party hereto, any and all such further documents, certificates, papers, schedules and instruments as reasonably appropriate for the purpose of obtaining the full benefits of this Agreement.

SECTION 8.17. Costs. Each Party shall bear its own costs, fees and expenses incurred in connection with this Agreement and the Transactions.

SECTION 8.18. Independent Contractors. Nothing contained herein shall be deemed to create any relationship, whether in the nature of agency, joint venture, partnership or otherwise, between the Parties. No Party shall be authorized to bind or obligate the other Parties in any manner.

SECTION 8.19. Representative of Additional Parties.

(a) Each Additional Party hereby constitutes and appoints Forward Pharma A/S (the "Additional Party Representative") as attorney-in-fact for such Additional Party with full power of substitution and authority, in its discretion, to enforce this Agreement against the parties hereto, and to execute any amendment or waiver of this Agreement and any other document or instrument necessary or advisable in order to carry out the provisions of this Agreement, to give and receive notices and communications relating to this Agreement and to agree to, negotiate, enter into settlements and compromises of, and to comply with Orders with respect to, any dispute relating to this Agreement and to take all actions necessary or appropriate in the judgment of the Additional Party Representative for the accomplishment of the foregoing.

(b) All decisions of and actions by the Additional Party Representative may be relied upon by Licensee, Licensor, their respective Affiliates and any Third Party, and shall be binding and conclusive upon each Additional Party.

(c) The Additional Parties may from time to time designate another Party hereto as the Additional Party Representative in substitution for the then Additional Party Representative, and upon written notice thereof to Licensee, such Party shall be the Additional Party Representative for all purposes hereof.

SECTION 8.20. Set Off. Notwithstanding anything in this Agreement to the contrary, the Parties hereby agree that each of the Parties shall have the right to set off any amounts owed by it to any other Party pursuant to this Agreement against any amounts otherwise concurrently due and payable to it pursuant to this Agreement.

SIGNATURE PAGES TO FOLLOW

IN WITNESS WHEREOF, each of the undersigned Parties has caused this Agreement to be signed by its signatories thereunto duly authorized as of the date first written above.

BIOGEN SWISS MANUFACTURING GMBH

By: /s/ Fraderick Lawson
Name: Fraderick Lawson
Title: Managing Director

By: /s/ Neil Sisak
Name: Neil Sisak
Title: Director

BIOGEN INTERNATIONAL HOLDING LTD.

By: /s/ Sarah Demerling
Name: Sarah Demerling
Title: Director

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FORWARD PHARMA A/S

By: /s/ Florian Schőnharting
Name: Florian Schőnharting
Title: Chairman of Board of Directors

/s/ Grant Lawrence
Name: Grant Lawrence
Title: Member of Board of Directors

/s/ Karen Smith
Name: Karen Smith
Title: Member of Board of Directors

/s/ Jan van de Winkel
Name: Jan van de Winkel
Title: Member of Board of Directors

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ADITECH PHARMA AG

/s/ Michael Forer
Name: Michael Forer
Title: Director

NB FP INVESTMENT SLP APS

/s/ Florian Schönharting
Name: Florian Schönharting
Title: CEO

NB FP INVESTMENT GENERAL PARTNER APS

/s/ Florian Schönharting
Name: Florian Schönharting
Title: CEO

TECH GROWTH INVEST APS

/s/ Florian Schönharting
Name: Florian Schönharting
Title: CEO

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APPENDIX A

Scheduled Patents and Patent Applications

EP 2 879 672 and Family Members (Based on WO 2014/020156)

(**Title**: Combination Therapy for Treatment of Multiple Sclerosis)

No.	Publication No.	Publication Date	Application No.	Application Date	Country
1	AU2013298517 (Al)	3/5/2015	AU20130298517	8/2/2013	Australia
2	CA2880742 (Al)	2/6/2014	CA20132880742	8/2/2013	Canada
3	CN104684553 (A)	6/3/2015	CN2013852107	8/2/2013	China
4	EA201590166 (Al); EA201590166 (A8)	6/30/2015	EA20150090166	8/2/2013	Eurasia
5	EP1940382 (A2)	7/9/2008	EP20060791453	10/6/2006	European
6	EP2692343 (Al)	2/5/2014	EP20120179232	8/3/2012	European
7	EP2692344 (Al)	2/5/2014	EP20120187939	10/10/2012	European
8	EP2879672 (Al)	6/10/2015	EP20130745073	8/2/2013	European
9	HK1211210 (Al)	5/20/2016	HK20150112010	12/7/2015	Hong Kong
10	872/CHENP/2015 A	7/1/2016	872/CHENP/2015	2/12/2015	India
11	JP2015523407 (A)	8/13/2015	JP20150524803	8/2/2013	Japan
12	KR20150040338 (A)	4/14/2015	KR20157005612	8/2/2013	Korea
13	17588/3A/16	8/18/2016	UA201501066	8/2/2013	Ukraine
14	US20080300217 (Al)	12/4/2008	12/089,004	4/2/2008	United States
15	US20150164849 (Al)	6/18/2015	14/419,031	8/2/2013	United States
16	WO2007042035 (A2); WO2007042035 (A3)	4/19/2007	WO2006DK00563	10/6/2006	WIPO
17	WO2014020156 (Al)	2/6/2014	WO2013EP66285	8/2/2013	WIPO

[*Appendix A to Settlement and License Agreement*]

EP 2 379 063 and Family Members (Based on WO 2010/079222)

(**Title:** Pharmaceutical Formulation Comprising One or More Fumaric Acid Esters in an Erosion Matrix)

No.	Publication No.	Publication Date	Application No.	Application Date	Country
1	CN102369001 (A)	3/7/2012	CN2010811800	1/8/2010	China
2	DK2379063 (T3)	4/22/2013	DK20100700730T	1/8/2010	Denmark
3	DK2564839 (T3)	7/25/2016	DK20120193798T	1/8/2010	Denmark
4	EA201290596 (Al)	1/30/2013	EA20120090596	1/8/2010	Eurasia
5	EP2379063 (Al); EP2379063 (B1)	10/26/2011	EP20100700730	1/8/2010	European
6	EP2564839 (A2); EP2564839 (A3); EP2564839	3/6/2013	EP20120193798	1/8/2010	European
7	EP3090733 (Al)	11/9/2016	EP20160000993	1/8/2010	European
8	ES2411972 (T3)	7/9/2013	ES20100700730T	1/8/2010	Spain
9	ES2586761 (T3)	10/18/2016	ES20120193798T	1/8/2010	Spain
10	HK1180943A0	11/01/2013	HK2013108156A	7/11/2013	Hong Kong
11	HRP20130480 (T1)	6/30/2013	HR2013P000480T	5/31/2013	Croatia
12	HRP20160982 (T1)	11/4/2016	HR2016P000982T	8/1/2016	Croatia
13	P6543	11/2/2016	GE201012819	8/1/2010	Georgia
14	2814/KOLNP/2011 A	1/20/2012	IN 2814/KOLNP/2011	7/5/2011	India
15	JP2016006081 (A)	1/14/2016	JP20150149886	7/29/2015	Japan
16	JP5788331 (B2); JP2012514624 (A)	6/28/2012	JP20110544876	1/8/2010	Japan
17	KR20110116027 (A)	10/24/2011	KR20117018595	1/8/2010	Korea
18	PL2564839T3	11/30/2016	PL2012193789T	1/8/2010	Poland

19	PT2379063 (E)	5/3/2013	PT20100700730T	1/8/2010	Portugal
20	RU2015113483 (A)	11/27/2015	RU20150113483	1/8/2010	Russia
21	RU2552951 (C2); RU2011128785 (A)	2/20/2013	RU20110128785	1/8/2010	Russia

No.	Publication No.	Publication Date	Application No.	Application Date	Country
22	SI2379063 (T1)	4/30/2013	SI20100030161T	1/8/2010	Slovenia
23	SI2564839 (T1)	9/30/2016	SI20100031248	1/8/2010	Slovenia
24	SMT201300065 (B)	9/6/2013	SM20130000065T	6/17/2013	San Marino
25	UA103844 (C2)	11/25/2013	UA20120009635	1/8/2010	Ukraine
26	1122975	11/25/2016	UA201307178/I	1/8/2010	Ukraine
27	Not known yet	Not known yet	UA201308182/I	1/8/2010	Ukraine
28	US20150272894 (A1)	10/1/2015	14/561,010	12/4/2014	United States
29	US8906420 (B2); US20120034303 (A1)	2/9/2012	13/143,498	1/8/2010	United States
30	WO2010079222 (A1)	7/15/2010	WO2010EP50172	1/8/2010	WIPO

Chart EP 2 801 355 and Family Members (Based on WO 2006/037342)

No.	Title	Publication No.	Publication Date	Application No.	Application Date	Country
1	Controlled release pharmaceutical compositions comprising a fumaric acid ester	CN101056624 (A)	10/17/2007	CN2005838572	10/7/2005	China
2	Controlled release pharmaceutical compositions comprising a fumaric acid ester	CN101304732 (A)	11/12/2008	CN2006841526	10/6/2006	China
3	Gesteuerte Freisetzung von pharmazeutischen Zusammensetzungen mit Fumarinsäureester	DE14172390 (T1)	12/31/2014	DE14172390T	10/7/2005	Germany
4	Gesteuerte Freisetzung von pharmazeutischen Zusammensetzungen mit Fumarinsäureester	DE14172396 (T1)	1/8/2015	DE14172396T	10/7/2005	Germany
5	Gesteuerte Freisetzung von pharmazeutischen Zusammensetzungen mit Fumarinsäureester	DE14172398 (T1)	1/8/2015	DE14172398T	10/7/2005	Germany
6	Pharmazeutische Zusammensetzungen mit kontrollierter Freisetzung, umfassend einen Fumarinsäureester	DE202005022112 (U1)	4/24/2014	DE20052022112U	10/7/2005	Germany
7	Controlled release pharmaceutical compositions comprising a fumaric acid ester	DK1799196 (T3)	8/15/2016	DK20050789026T	10/7/2005	Denmark
8	Controlled release pharmaceutical compositions comprising a fumaric acid ester	DK2316430 (T3)	7/23/2012	DK20100182198T	10/7/2005	Denmark

No.	Title	Publication No.	Publication Date	Application No.	Application Date	Country
9	Pharmazeutische Zusammensetzungen mit kontrollierter Freisetzung, umfassend einen Fumarinsäureester	DK2801355 (T3)	7/6/2015	DK20140172398T	10/7/2005	Denmark
10	Controlled release pharmaceutical compositions comprising a fumaric acid ester	EP1799196 (A2); EP1799196 (B1)	6/27/2007	EP20050789026	10/7/2005	European
11	Controlled release pharmaceutical compositions comprising a fumaric acid ester	EP1951206 (Al)	8/6/2008	EP20060791451	10/6/2006	European
12	Controlled release pharmaceutical compositions comprising a fumaric acid ester	EP2316430 (B1); EP2316430 (Al); EP2316430 (B8)	5/4/2011	EP20100182198	10/7/2005	European
13	Controlled release pharmaceutical compositions comprising a fumaric acid ester	EP2792349 (A3); EP2792349 (A2)	10/22/2014	EP20140172396	10/7/2005	European
14	Controlled release pharmaceutical compositions comprising a fumaric acid ester	EP2801354 (Al)	11/12/2014	EP20140172390	10/7/2005	European
15	Controlled release pharmaceutical compositions comprising a fumaric acid ester	EP2801355 (B1); EP2801355 (Al)	11/12/2014	EP20140172398	10/7/2005	European
16	Controlled release pharmaceutical compositions comprising a fumaric acid ester	EP2965751 (Al)	1/13/2016	EP20150166243	10/7/2005	European
17	Controlled release pharmaceutical compositions comprising a fumaric acid ester	EP3093012 (Al)	11/16/16	EP20160001391	10/7/2005	European
18	Controlled release pharmaceutical compositions comprising a fumaric acid ester	ES2387192 (T3)	9/17/2012	ES20100182198T	10/7/2005	Spain

No.	Title	Publication No.	Publication Date	Application No.	Application Date	Country
19	Pharmazeutische Zusammensetzungen mit kontrollierter Freisetzung, umfassend einen Fumarinsäureester	ES2523796 (T1)	12/1/2014	ES20140172396T	10/7/2005	Spain
20	Pharmazeutische Zusammensetzungen mit kontrollierter Freisetzung, umfassend einen Fumarinsäureester	ES2525495 (T1)	12/23/2014	ES20140172390T	10/7/2005	Spain
21	Pharmazeutische Zusammensetzungen mit kontrollierter Freisetzung, umfassend einen Fumarinsäureester	ES2525497 (T3); ES2525497 (T1)	12/23/2014	ES20140172398T	10/7/2005	Spain
22	Controlled release pharmaceutical compositions comprising a fumaric acid ester	ES2582942 (T3)	9/16/2016	ES20050789026T	10/7/2005	Spain
23	Controlled release pharmaceutical compositions comprising a fumaric acid ester	HK1108836A	5/23/2008	HK07114067.2	12/24/2007	Hong Kong
24	Controlled release pharmaceutical compositions comprising a fumaric acid ester	IN200701583P2	7/27/2007	IN2007KN1583A	5/3/2007	India
25	Controlled release pharmaceutical compositions comprising a	JP2008515822 (A)	5/15/2008	JP20070535023	10/7/2005	Japan

	fumaric acid ester					
26	Controlled release pharmaceutical compositions comprising a fumaric acid ester	JP2009510137 (A)	3/12/2009	JP20080533870	10/6/2006	Japan
27	Controlled release pharmaceutical composition comprising fumaric acid ester	JP2013064007 (A)	4/11/2013	JP20120267572	12/6/2012	Japan

No.	Title	Publication No.	Publication Date	Application No.	Application Date	Country
28	Controlled release pharmaceutical compositions comprising fumaric ester	JP2015227350 (A)	12/17/2015	JP20150139809	7/13/2015	Japan
29	Pharmazeutische Zusammensetzungen mit kontrollierter Freisetzung, umfassend einen Fumarinsäureester	LU92871 (I2)	1/13/2016	LU20150092871C	11/13/2015	Luxembourg
30	Controlled release pharmaceutical compositions comprising a fumaric acid ester	PL2316430 (T3)	11/30/2012	PL20100182198T	10/7/2005	Poland
31	Controlled release pharmaceutical compositions comprising a fumaric acid ester	PT2316430 (E)	6/26/2012	PT20100182198T	10/7/2005	Portugal
32	Controlled release pharmaceutical compositions comprising a fumaric acid ester	PT2801355 (E)	9/18/2015	PT20050172398T	10/7/2005	Portugal
33	Controlled release pharmaceutical compositions comprising a fumaric acid ester	RS54187 (B1)	12/31/2015	RS2015P000540	10/7/2005	Serbia
34	Controlled release pharmaceutical compositions comprising a fumaric acid ester	SI1799196 (T1)	10/28/2016	SI20050032086	10/7/2005	Slovenia
35	Controlled release pharmaceutical compositions comprising a fumaric acid ester	SI2316430 (T1)	9/28/2012	SI20050031565T	10/7/2005	Slovenia
36	Controlled release pharmaceutical compositions comprising a fumaric acid ester	SI2801355 (T1)	9/30/2015	SI20050031993T	10/7/2005	Slovenia
37	Controlled Release Pharmaceutical Compositions Comprising a Fumaric Acid Ester	US20080299196 (A1)	12/04/2008	12/089,074	4/03/2008	United States

No.	Title	Publication No.	Publication Date	Application No.	Application Date	Country
38	Controlled release pharmaceutical compositions comprising fumaric acid ester	US20090304790 (Al); US20140099364 (A2)	12/10/2009	11/576,871	10/7/2005	United States
39	Controlled release pharmaceutical compositions comprising a	US20130315993 (Al)	11/28/2013	13/957,147	8/01/2013	United States
40	CONTROLLED RELEASE PHARMACEUTICAL COMPOSITIONS COMPRISING A FUMARIC ACID ESTER (“Cmax and 480 mg per day dosing”)	US20130316003 (Al)	11/28/2013	13/957,220	8/01/2013	United States
41	Controlled release pharmaceutical compositions comprising a fumaric acid ester (“uptitration regimen including 480 mg per day dosing”)	US20140037720 (Al)	02/06/2014	13/957,117	8/01/2013	United States
42	Controlled release pharmaceutical compositions comprising a fumaric acid ester	US20140037740 (Al)	02/06/2014	13/957,250	8/01/2013	United States
43	Controlled release pharmaceutical compositions comprising a fumaric acid ester	US20140199386 (Al)	07/17/2014	14/209,712	3/13/2014	United States
44	Controlled release pharmaceutical compositions comprising a fumaric acid ester	US20140199387 (Al)	07/17/2014	14/213,321	3/14/2014	United States
45	Controlled release pharmaceutical compositions comprising a fumaric acid ester	US20140199388 (Al)	07/17/2014	14/213,673	3/14/2014	United States
46	Methods for treating multiple sclerosis	US20140199390 (Al)	7/17/2014	14/212,503	3/14/2014	United States

No.	Title	Publication No.	Publication Date	Application No.	Application Date	Country
47	Controlled release pharmaceutical compositions comprising a fumaric acid ester	US20140199392 (Al)	7/17/2014	14/212,685	3/14/2014	United States
48	Controlled release pharmaceutical compositions comprising a fumaric acid ester	US20140199393 (Al)	7/17/2014	14/209,756	3/13/2014	United States
49	Controlled release pharmaceutical compositions comprising a fumaric acid ester	US20140200272 (Al)	7/17/2014	14/209,584	3/13/2014	United States
50	Controlled release pharmaceutical compositions comprising a fumaric acid ester	US20140200273 (Al)	7/17/2014	14/209,651	3/13/2014	United States
51	Controlled release pharmaceutical compositions comprising a fumaric acid ester	US20140205659 (Al)	7/24/2014	14/213,399	3/14/2014	United States
52	Controlled release pharmaceutical compositions comprising a fumaric acid ester	US20150024049 (Al)	1/22/2015	14/209,823	3/13/2014	United States
53	Controlled release pharmaceutical compositions comprising a fumaric acid ester	US20160271093 (A2); US20160136125 (A2); US20140193495 (Al)	7/10/2014	14/209,480	3/13/2014	United States
54	Controlled release pharmaceutical compositions fumaric acid ester	WO2006037342 (A2); WO2006037342 (A3)	4/13/2006	WO2005DK00648	10/7/2005	WIPO
55	Controlled release pharmaceutical compositions comprising a fumaric acid ester	WO2007042034 (Al)	4/19/2007	WO2006DK00561	10/6/2006	WIPO

No.	Title	Publication No.	Publication Date	Application No.	Application Date	Country
	Forward Pharma has applied for Supplementary Protection Certificates based on EP 2 801 355 and the Marketing Authorisation for Tecfidera (EU/1/13/837) in the following countries: Albania, Austria, Belgium, Bosnia and Herzogovina, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Poland, Portugal, Serbia, Slovenia, Spain, Sweden, Switzerland, United Kingdom. SPCs have so far been granted in Cyprus, France, Greece, Luxembourg, Slovenia, Spain, and Sweden. The application in Serbia has been refused (lack of a market authorisation).					

EP 3 038 606 and Family Members (Based on WO 2015/028472 or WO 2015/028473)

(**Title:** Pharmaceutical composition containing *dimethyl fumarate* for administration at a low daily dose)

No.	Publication No.	Publication Date	Application No.	Application Date	Country
1	AU2014314230 (Al)	4/7/2016	AU20140314230	8/26/2014	Australia
2	AU2014314231 (Al)	3/3/2016	AU20140314231	8/26/2014	Australia
3	CA2918846 (Al)	3/5/2015	CA20142918846	8/26/2014	Canada
4	CA2918852 (Al)	3/5/2015	CA20142918852	8/26/2014	Canada
5	CN105658207 (A)	6/8/2016	CN2014847436	8/26/2014	China
6	CN105682648 (A)	6/15/2016	CN2014847438	8/26/2014	China
7	EA201690102 (Al)	6/30/2016	EA20160090102	8/26/2014	Eurasia
8	EA201690107 (Al)	10/31/2016	EA20160090107	8/26/2014	Eurasia
9	EP3038605 (Al)	7/6/2016	EP20140755672	8/26/2014	European
10	EP3038606 (Al)	7/6/2016	EP20140755818	8/26/2014	European
11	Not known yet	Not known yet	IN201637008837	8/26/2014	India
12	Not published yet	Not published yet	IN201637008839	8/26/2014	India
13	Not published yet	Not published yet	IL243660	8/26/2014	Israel
14	Not known yet	Not known yet	IL243661	8/26/2014	Israel
15	JP2016528302 (A)	9/15/2016	JP20160537269	8/26/2014	Japan
16	JP2016531912 (A)	10/13/2016	JP20160537270	8/26/2014	Japan
17	KR20160045728 (A)	4/27/2016	KR20167004935	8/26/2014	Korea
18	KR20160046813 (A)	4/29/2016	KR20167004936	8/26/2014	Korea
19	Not published yet	Not published yet	NZ716118	8/26/2014	New Zealand
20	Not published yet	Not published yet	NZ716121	8/26/2014	New Zealand
21	Not published yet	Not published yet	UA201600686	8/26/2014	Ukraine
22	Not published yet	Not published yet	UA201600687	8/26/2014	Ukraine
23	US20160206586 (Al)	7/21/2016	14/914,025	8/26/2014	United States
24	US20160206587 (Al)	7/21/2016	14/914,031	8/26/2014	United States
25	WO2015028472 (Al)	3/5/2015	WO2014EP68094	8/26/2014	WIPO
26	WO2015028473 (Al)	3/5/2015	WO2014EP68095	8/26/2014	WIPO

EP 2 379 062 and Family Members (Based on WO 2010/079221)

(**Title:** Pharmaceutical composition comprising one or more fumaric acid esters)

No.	Publication No.	Publication Date	Application No.	Application Date	Country
1	CN102369000	3/7/2012	CN2010811787		China
2	EP2379062	10/26/2011	EP20100700231	1/8/2010	European
3	JP2012514623	6/28/2012	JP2011544875	1/8/2010	Japanese
4	US20120034274	2/9/2012	13/143,465	10/26/2011	United States
5	US20130259906	10/3/2013	13/768,829	2/15/2013	United States
6	WO2010079221	7/15/2010	WO2010EP50171	1/8/2010	WIPO

(ii) Scheduled Trademark Rights

No.	Trademark	Serial Number	Filing Date	Registration Date	Country	Trademark Type	Status
1	FP187	86449799	11/10/2014	N/A (pending)	United States	Word	On Appeal
2	FP187	VR201500106	11/10/2014	1/14/2015	Denmark	Word	Registered

APPENDIX B

Licensed Intellectual Property Contracts

1. *Patent License Agreement Aditech-FP 01 Jul 2005*
2. *Patent License Agreement Assigment Aditech AB-Aditech AG 20 Aug 2009*
3. *Patent Transfer Agreement Aditech-FP 04 May 2010*
4. *Patent License Agreement FP AS-FP GmbH 23 May 2007*
5. *Termination Agreement (License Agreement AS - GmbH)*
6. *Consultancy Agreement (Kristian Reich) 18.01.2016*
7. *Addendum to Consultancy Agreement (Kristian Reich) 03062016*
8. *Addendum II to Consultancy Agreement (Prof. Dr. med. Kristian Reich)*
9. *Collaboration Agreement Ixchel Pharma*
10. *Consulting Agreement Ixchel Pharma*

[*Appendix B to Settlement and License Agreement*]

APPENDIX C

List of Non-Affiliates

1) Genmab A/S

2) Jazz Pharmaceuticals plc

3) Thermo Fisher Scientific Inc.

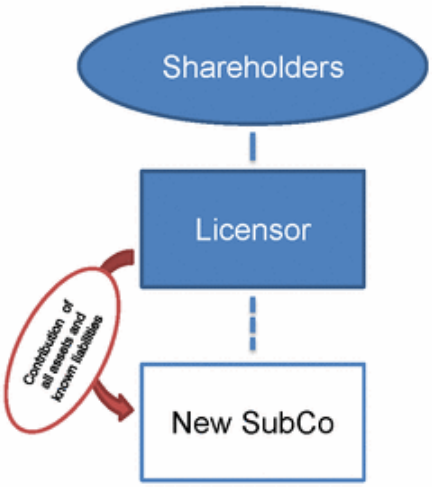
[*Appendix C to Settlement and License Agreement*]

APPENDIX D

Specified Actions

[*Appendix D to Settlement and License Agreement*]

Step 1 – Drop-down*



*Capitalized terms used but not defined in this Appendix D shall have the meanings set forth in the Settlement and License Agreement (the "License Agreement").

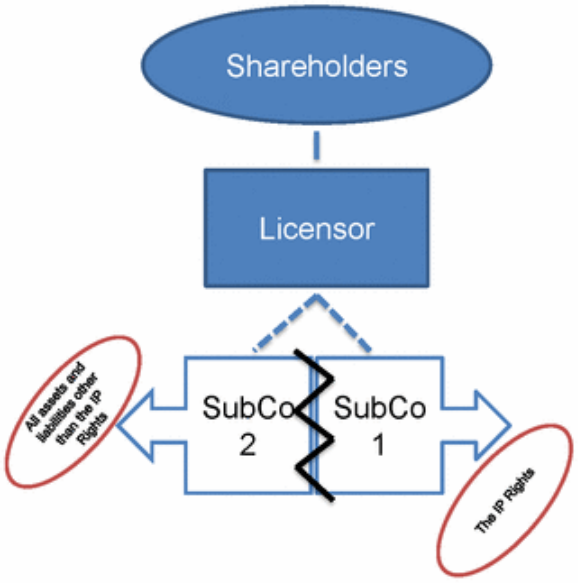
1. Following the Effective Date, (A) Licensor shall (i) establish and form, as a wholly owned subsidiary of Licensor, a Danish limited liability company ("**New SubCo**") and (ii) take all actions necessary to apply in a form and substance prepared by Licensor and approved by Licensee for written approval (in Danish: "*tilladelse*") from SKAT (the "**Danish Tax Authorities**") that Steps 1 and 2 can be carried out as a tax exempt drop down (in Danish: "*skattefri tilførsel af aktiver*") and a tax exempt demerger (in Danish "*skattefri spaltning*"), respectively, under Danish tax Law, including in light of the fact that Steps 3 and 4 will also be completed and (B) Licensor in consultation with Licensee shall take all actions necessary to apply for approval from the Danish Business Authority (the "**Danish Business Authority**") that the transactions contemplated by Steps 3 and 4 are permissible under applicable Danish Law. For the avoidance of doubt, Licensor shall not under any circumstances be required to carry out Step 1 and Step 2 unless the Danish Tax Authorities conclude that the transactions qualify for tax exemption according to the Danish legislation on tax exempt reorganizations;

2. Following its receipt of the U.S. Upfront Fee and Designated Countries Upfront Fee pursuant to and in accordance with Section 4.01 of the License Agreement and approval of the Step 1 Contribution (as defined below) as tax exempt by the Danish Tax Authorities, Licensor shall contribute all of its assets (other than an amount of cash, if any, that Licensor determines to be in excess of the amount of cash necessary to satisfy the funding and operational requirements of New SubCo) and known liabilities, including the License Agreement, by way of a tax exempt business contribution to New SubCo (the "**Step 1 Contribution**"); and

3. Substantially concurrently with the consummation of the Step 1 Contribution, Licensor shall cause New SubCo to execute and deliver all instruments and agreements necessary to consummate the joinder of New SubCo to the License Agreement pursuant to and in accordance with Section 2.12 of the License Agreement (the "**New SubCo Joinder**"). For the avoidance of doubt, upon the consummation of the New SubCo Joinder, the parties to the License Agreement shall be Licensee, New SubCo, the Additional Parties and Licensor (unless Licensee consents to the removal of Licensor as a Party to the License Agreement);

4. Provided, however, that if the Step 1 Contribution is (i) not approved by the Danish Tax Authorities as tax exempt for any reason by May 1, 2017 (the "Step 1 Outside Date"), provided that Licensee may in its sole discretion elect to extend the Step 1 Outside Date by up to an additional 60 days, or (ii) approved by Danish Tax Authorities as tax exempt subject to the satisfaction of certain conditions, Licensor shall, at Licensee's election in its sole discretion, (a) establish and form, as a wholly owned subsidiary of Licensor, a Danish partnership limited by shares (the "**P/S Sub**") that is structured in a manner that would enable payments to the P/S Sub to qualify for benefits under the U.S.-Danish income tax treaty, (b) contribute all of the Licensed Intellectual Property by way of a tax exempt business contribution to the P/S Sub (the "**P/S Sub Contribution**") and (c) substantially concurrently with the consummation of the P/S Sub Contribution, grant Licensee a pledge in all of the issued and outstanding shares of P/S Sub to secure Licensee's rights under the License Agreement (the transactions contemplated by clauses (a)-(c) above, the "**P/S Sub Restructuring Alternative**").

Step 2 – Demerger



1. In the event Licensor has received all necessary approvals of tax exemption from the Danish Tax Authorities, Licensor shall cause New SubCo to be demerged into two new Danish limited liability companies, SubCo 1 ("**SubCo 1**") and ("**SubCo 2**"), which shall be wholly owned subsidiaries of Licensor (the "**Demerger**"), and whereby the assets and liabilities of New SubCo (which shall cease to exist upon consummation of the Demerger) will be allocated as follows:
   - SubCo 1 shall hold all legal and beneficial right, title and interest to the Licensed Intellectual Property held by New SubCo prior to the Demerger and the payment rights set forth in Sections 3.06 and 3.07 of the License Agreement (but, for the avoidance of doubt, not including any other rights under the License Agreement other than those rights set forth in Sections 3.06 and 3.07 of the License Agreement) and shall hold and be responsible for (i) the liability to protect and maintain the Licensed Intellectual Property pursuant to the License Agreement held by New SubCo prior to the Demerger and (ii) the obligations under Sections 3.06 and 3.07 of the License Agreement held by New SubCo prior to the Demerger;
   - SubCo 2 shall hold all of the assets held by New SubCo prior to the Demerger (other than such assets held by SubCo 1), including all payment rights under the License Agreement, and hold all liabilities held by New SubCo prior the Demerger (other than such liabilities held by SubCo 1). For the avoidance of doubt, SubCo 2 shall hold and be responsible for the obligation under Article V of the License Agreement to fund the protection and maintenance of the Licensed Intellectual Property that was held by NewCo prior to the Demerger.

2. Licensor shall cause the corporate objects in the articles of association of SubCo 1 (in Danish: "formål") to (i) require SubCo 1 to comply with its obligations under the License Agreement to maintain and protect the Licensed Intellectual Property (and to take any such steps reasonably requested by the Party to the License Agreement that, at the time of such request, has control of or a right to maintain or protect such Licensed Intellectual Property in connection with such maintenance and protection) and (ii) prohibit SubCo 1 from engaging in any other activities.

3. Substantially concurrently with the consummation of the Demerger, SubCo 1 and SubCo 2 shall execute and deliver:
   - all necessary instruments and agreements to consummate the joinder of SubCo 1 and SubCo 2, respectively, to the License Agreement pursuant to and in accordance with Section 2.12 of the License Agreement (the "**SubCo Joinders**"); for the avoidance of doubt, upon the consummation of the SubCo Joinders, the parties to the License Agreement shall be Licensee, SubCo 1, SubCo 2, the Additional Parties and Licensor (unless Licensee consents to the removal of Licensor as a Party to the License Agreement); and
   - an agreement, reasonably satisfactory to Licensee, between SubCo 1 and SubCo 2 pursuant to which SubCo 2 agrees to provide SubCo 1 with the funds necessary for SubCo 1 to comply with its obligations under the License Agreement to protect and maintain the Licensed Intellectual Property to the extent such protection and maintenance is required by Article V of the License Agreement.

Step 3 – Establishment of a commercial foundation with a subsidiary

1. Following the consummation of the transactions contemplated by Step 2 and approval from the Danish Business Authority, a new Danish independent commercial foundation (in Danish: "*erhvervsdrivende fond*") (the "**Foundation**") shall be established with the Licensor as the founder by way of an irrevocable and unconditional contribution of capital from the Licensor equal to DKK 5 million in cash (the "**Foundation Formation**") ") and the Foundation shall be structured and operated in a manner that would enable payments to the Foundation to qualify for benefits under the U.S.-Danish income tax treaty;

2. In connection with the Foundation Formation, Licensor shall cooperate in good faith with Licensee to prepare the articles of association of the Foundation, in form and substance approved by Licensee, which in any event shall: (i) be compliant in all respects with the Danish Act on Foundations Carrying on Business for Profit; (ii) allow the Foundation to own (directly or indirectly through a Subsidiary) the Licensed Intellectual Property; (iii) require the Foundation to cause its Subsidiaries to comply with their obligations under the License Agreement to the extent party thereto; (iv) provide detailed requirements on the qualifications to serve as an "independent" member of the board of directors of the Foundation (the "**Foundation Board**"); (v) provide that the Foundation Board consist of five members comprised of (a) three "independent" board members (the three initial "independent" board members shall be mutually selected by Licensee and Licensor at the Foundation Formation and any future vacancies shall be filled by the then remaining "independent" board members), (b) one non-independent board member appointed by Licensor and (c) one non-independent board member appointed by Licensee; (vi) require that all Foundation actions require unanimous approval of the Foundation Board; and (vii) provide that Licensor and Licensee shall each have the right following the Foundation Formation to provide additional capital contributions to the Foundation any time and from time to time as such Party deems necessary or desirable. All contact and communication with the Danish Business Authority regarding the establishment of the foundation shall be made jointly by the Licensee and Licensor.

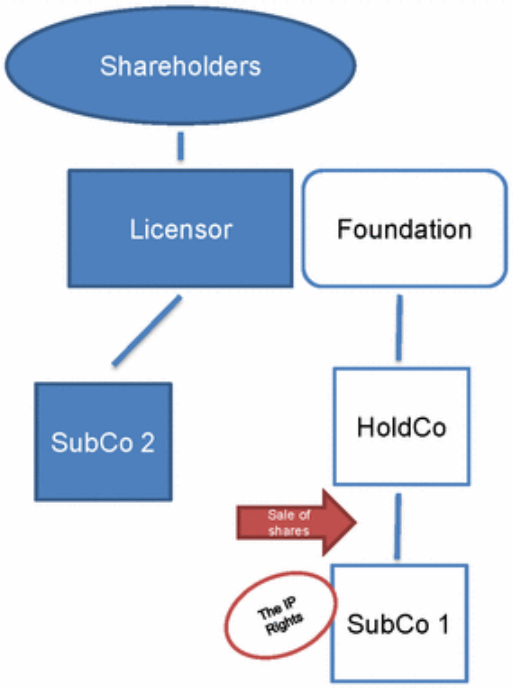
3. Promptly following the consummation of the Foundation Formation, the Foundation shall establish and form, as a wholly owned subsidiary of the Foundation, a new Danish private limited company (the "**Holdco**"), by cash subscription of DKK 50,000 (the "**Holdco Formation**"); and

4. Promptly following the consummation of the Holdco Formation and prior to the consummation of the transactions set forth in Step 4, Licensor shall cause SubCo 1 and SubCo 2 (which, for the avoidance of doubt, are both wholly owned Subsidiaries of Licensor at such point) to enter into a trust agreement with Licensee and Licensor pursuant to which SubCo 1 agrees to hold, prosecute and maintain the Licensed Intellectual Property consistent with the requirements set forth in Step 2 in exchange for an annual fee of DKK 100,000 payable by SubCo 2;

5. Provided, however, that if prior to the consummation of the transactions contemplated under this Step 3, Licensor and Licensee are informed (i) by the Danish Tax Authorities that Steps 1 and/or 2 (or modifications hereof proposed by the Licensee having no adverse effect to the Licensee or the Licensor compared to the structures described in Steps 1 and/or 2 in this Appendix D) will (a) not be approved as tax exempt or (b) will only be approved as tax exempt subject to the satisfaction of certain conditions or (ii) by the Danish Business Authority that the transactions contemplated by either Step 3 or Step 4 cannot be consummated, then Steps 3 and 4 shall automatically be abandoned (except in the case of clause (i)(b), where Steps 3 and 4 shall only be abandoned upon Licensee's election in its sole discretion) and following any such abandonment of Steps 3 and 4 Licensor shall, at Licensee's election in its sole discretion:

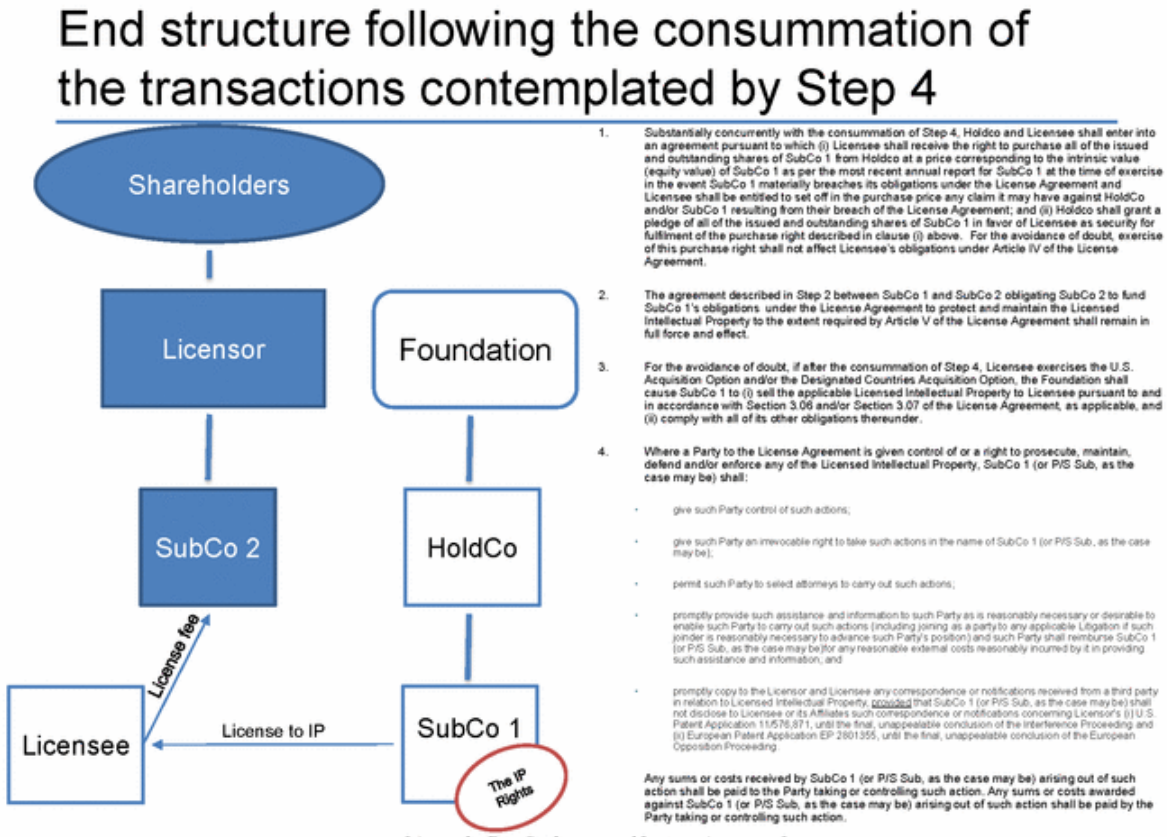
   - grant Licensee a pledge in all of the issued and outstanding shares of SubCo 1 to secure the performance of its obligations under the License Agreement;
   - allow the subscription by Licensee of 50% of the issued and outstanding shares of SubCo 1 at fair market value (as determined by a valuation report prepared by an auditor mutually selected by Licensor and Licensee); or
   - cause SubCo 1 to consummate a P/S Sub Restructuring Alternative.

Step 4 – Transfer of shares



1. In the event Step 3 is consummated, Licensor shall then promptly sell all of the issued and outstanding shares of SubCo 1 to Holdco at fair market value (as determined by a valuation report prepared by an auditor mutually selected by Licensor and Licensee).

   - For the avoidance of doubt, following the consummation of this Step 4, SubCo 1 shall be a wholly owned Subsidiary of HoldCo and HoldCo shall remain a wholly owned Subsidiary of the Foundation.



[*Appendix D to Settlement and License Agreement*]

APPENDIX E

Draft Joint Submission of Agreement

Filed by: **Junior Party BIOGEN MA INC.** Paper No.

By: Michele C. Bosch
Barbara C. McCurdy
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.
901 New York Avenue, NW
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202-408-4000 tel
202-408-4400 fax

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BIOGEN MA INC.
Junior Party
Patent 8,399,514 B2,

v.

FORWARD PHARMA A/S
Senior Party
Application 11/576,871.

Interference No. 106,023 (RES)
Technology Center 1600

Board of Patent Appeals and Interferences
United States Patent and Trademark Office
600 Dulany Street, 9th Floor
Madison Building East
Alexandria, Virginia 22314

Pursuant to 35 U.S.C. § 135(c), 37 C.F.R. § 41.205, and ¶ 205 of the Standing Order (Paper 2), Junior Party Biogen MA Inc. and Senior Party Forward Pharma A/S hereby give notice that the parties have made a written agreement relating to the Interference.

The agreement does not resolve any of the issues pending before the Board in this interference.

With the advance permission of the Board, the agreement and all related agreements are hereby submitted concurrently this day via hand delivery to the Board in a separate sealed envelope.

Pursuant to 35 U.S.C. § 135(c) and 37 C.F.R. §§ 41.205(c) and (d), the parties hereby request that the sealed agreements be kept separate from the Interference file and that the contents thereof be made available only to Government agencies on written request, or to any person only upon petition and on a showing of good cause. The parties further request that should such a petition be filed, each party be given the opportunity to comment on or oppose the request before a decision is made with respect to whether it should be granted or denied. Any such notification should be sent to the attention of:

For Junior Party Biogen MA Inc.:

Michele C. Bosch
Barbara C. McCurdy
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.
901 New York Avenue, NW
Washington, DC 20001-4413
michele.bosch@finnegan.com
barbara.mccurdy@finnegan.com

202-408-4000 tel
202-408-4400 fax

For Senior Party Forward Pharma A/S

Anthony M. Zupcic
Daniel S. Glueck
FITZPATRICK, CELLA, HARPER & SCINTO
1290 Avenue of the Americas
New York, NY 10104-3800
Tel: (212) 218-2100
Fax: (212) 218-2200
E-mail: azupcic@fchs.com

The parties respectfully request acknowledgement of the filing of these agreements.

Dated: , 2017 Respectfully submitted,

Anthony M. Zupcic
Reg. No. 27,276
Lead Attorney for Forward Pharma
FITZPATRICK, CELLA, HARPER & SCINTO
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FRANKEL LLP
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Facsimile: 202-408-4400

Counsel for Biogen MA, Inc.

Counsel for Forward Pharma A/S

APPENDIX F

Aditech Addendum

ADDENDUM TO PATENT TRANSFER AGREEMENT

between **FORWARD PHARMA** A/S

and **ADITECH PHARMA AG**

This addendum, dated as of January 17, 2017 (the **"Addendum"),** to the Patent Transfer Agreement, including all schedules thereto, dated as of May 4, 2010 (the **"Patent Transfer Agreement")**

between **FORWARD PHARMA A/S**
Company registration no. (CVR) 28865880
Østergade 24 A, 1.
DK-1100 Copenhagen Denmark
("Forward")

and **ADITECH PHARMA AG**
Company registration no. CHE-114.631.207
c/o Domanda Verwaltungs GmbH
Baarerstrasse 43
CH-6300 Zug
Switzerland
("Aditech")

1. DEFINITIONS AND INTERPRETATIONS

1.1 Incorporation of definitions from Patent Transfer Agreement

Terms defined in the Patent Transfer Agreement shall have the same meaning when used in this Addendum, unless otherwise set out in this Addendum or unless the context otherwise requires; provided that Clause 1.2 of the Patent Transfer Agreement is hereby amended and replaced in its entirety with the definition of "Affiliate" set forth in Clause 1.2 of this Addendum.

1.2 Additional definitions

In addition to the definitions used in the Patent Transfer Agreement and the definitions set out in the header of this Addendum, the following definitions are used in this Addendum and shall have the following meanings in this Addendum (and, with respect to the definition of "Affiliate", in the Patent Transfer Agreement):

"Addendum Effective Date" shall have the meaning set out in Clause 3.1;

"Additional Parties" means each of the parties listed on Appendix I of the License Agreement (as defined below);

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person. For purposes of this definition, "control" (including the terms "controlled by" and "under common control with"), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of a Person, whether

	through the ownership of shares of share capital or other equity or voting interests, by Contract or otherwise, including the ownership, directly or indirectly, of shares of share capital or other equity or voting interests having the power to elect a majority of the board of directors or comparable body governing the affairs of such Person. Such other Person shall be deemed to be an Affiliate only so long as such control exists;
"Biogen Parties"	means Biogen Swiss Manufacturing GmbH and Biogen International Holding Ltd.
"Consent"	means actions or non-actions, waivers, approvals, licenses, permits, orders or other authorizations and consents;
"Contract"	means any contract, agreement, deed, lease or similar instrument, and any legally binding obligation, commitment, arrangement or understanding, whether written or oral;
"EU Relevant Patent"	shall have the meaning set out in Clause 2.3;
"European Opposition"	shall have the meaning set out in Clause 2.1;
"Final U.S. Interference Ruling"	shall have the meaning set out in Clause 2.1;
"Governmental Entity"	means (i) any legislative, judicial or administrative authority, including any federal, state, local or foreign government (including, in each case, any self-regulatory organization), (ii) any court of competent jurisdiction, administrative agency or commission or other governmental authority or instrumentality, domestic or foreign or (iii) any officials of any of the entities set forth in sub-Clauses (i) or (ii);

"Intellectual Property"	means (i) all Patents; (ii) all trademarks, service marks, trade dress, logos, trade names, corporate names and Internet domain names, together with all goodwill associated therewith (including all translations, adaptations, derivations and combinations of the foregoing); (iii) copyrights and copyrightable works; (iv) registrations, applications, renewals, reissues, continuations, continuations in part, divisions, revisions, extensions or reexaminations for any of the items set forth in Clause (i), (ii) or (iii); (v) computer software; and (vi) trade secrets, confidential information, know-how, regulatory, market and data clearance or exclusivity information (including with respect to regulatory filings relating to investigational or approved medicines), drug master files, clinical data, models, assays, testing data and the like, in each of the foregoing Clauses (i) through (vi), in any jurisdiction in the world;
"Laws"	means, collectively, any applicable statute, law, ordinance, decree, order, rule, regulation, treaty, principle of common law, directive, resolution, code, stock exchange rule, judgment, ruling, injunction or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Entity;
"License Agreement"	means the Settlement and License Agreement to be entered into by Biogen Swiss Manufacturing GmbH, Biogen International Holding LTD, Forward Pharma A/S and the Additional Parties;
"Net Sales"	shall have the meaning set out in the License Agreement;
"Order"	means any Law or judgment, order, writ, injunction, legally binding agreement with a Governmental Entity, stipulation or decree, including any binding decree of any arbitrator;
"Patents"	means all patents, patent applications, patent disclosures and inventions, including any reissues, reexaminations, replacements, continuations, continuations-in-part, divisionals, adjustments or extensions thereof or any other periods of exclusivity that extend the patent term (statutory or otherwise), including pediatric exclusivities and supplementary protection certificates, in any jurisdiction in the world;
"Parties"	means Forward and Aditech, collectively;
"Party"	means each of Forward and Aditech;
"Person"	means any individual, partnership, association, corporation, limited liability company, trust, governmental authority or other legal person or legal entity; and
"US Relevant Patent"	shall have the meaning set out in Clause 2.3.

1.3 **Interpretation**

1.3.1 Unless the context otherwise requires, references to the singular number shall include references to the plural number and vice versa. References to Clauses are to Clauses, including sub-Clauses, of this Addendum.

1.3.2 In this Addendum Clause headings are for ease of reference only and shall not affect in any way the meaning or interpretation of this Addendum.

2. BACKGROUND

2.1 Forward is involved in various Patent-related disputes with the Biogen Parties and/or their Affiliates both in Europe and in the United States concerning, among other things, the European opposition proceeding currently pending against Forward's European Patent No. 2 801 355 (the **"European Opposition")** and U.S. Patent and Trademark Office Interference No.106,023, or if such judgment is appealed, the judgment of the U.S. Court of Appeals for the Federal Circuit on such appeal **("Final U.S. Interference Ruling").**

2.2 Forward and the Additional Parties are contemplating entering into the License Agreement with the Biogen Parties, which entitles Forward to receive certain payments from the Biogen Parties, as detailed in Clauses 2.3 and 2.4, as consideration for Forward and the Additional Parties granting the Biogen Parties and their Affiliates a license to certain of their Intellectual Property, including but not limited to the Patent Rights.

2.3 The consideration to be received by Forward under the License Agreement is likely to consist of (i) a lump sum payment payable by the Biogen Parties to Forward regardless of the outcome of the Final U.S. Interference Ruling and the EU Opposition, so long as certain conditions are met, (ii) a royalty payment on certain products if the Final U.S. Interference Ruling results in Forward obtaining at least one issued U.S. Patent with at least one extant claim covering treatment of a human for multiple sclerosis by orally administering *dimethyl fumarate*, wherein the therapeutically effective amount of *dimethyl fumarate* is 480 mg per day (a **"US Relevant Patent"),** and (iii) a royalty payment on certain products if the final resolution of the European Opposition results in Forward obtaining at least one issued Patent with at least one extant claim covering treatment of a human for multiple sclerosis by orally administering *dimethyl fumarate*, wherein the therapeutically effective amount of *dimethyl fumarate* is 480 mg per day (a **"EU Relevant Patent").**

2.4 Under the License Agreement, subject to certain conditions, Forward and the Additional Parties will grant the Biogen Parties a co-exclusive license to the Patent Rights, the Fumaric Acid Products and/or the Fumaric Acid Processes in the United

States. Forward may also, subject to certain conditions, including any necessary antitrust clearance, grant an exclusive license to the Patent Rights to the Biogen Parties, and if Forward does not obtain a US Relevant Patent, Forward and the Additional Parties may at the Biogen Parties' option transfer ownership of the Fumaric Acid Products and/or the Fumaric Acid Processes to the Biogen Parties. The size of the royalty payment referred to in Clause 2.3 (ii) if Forward obtains a US Relevant Patent will depend on whether the license granted under the License Agreement is exclusive or co-exclusive in the United States. The royalties payable for a co-exclusive license are lower than the royalties payable for an exclusive license. Under the License Agreement, subject to certain conditions, Forward and the Additional Parties will grant an exclusive license to the Patent Rights outside the United States. No royalties are payable under this exclusive license if Forward does not obtain an EU Relevant Patent from the EU Opposition. The royalty payments referred to Clause 2.3 may be suspended or terminated in the event of the entry into the market of a generic product that is therapeutically equivalent to and substitutable for certain products sold by or on behalf of either of the Biogen Parties.

2.5 The purpose of this Addendum is (i) for the Parties to clarify, as set out in Clause 5, certain ambiguities with respect to the construction of the Patent Transfer Agreement in case Forward, the Additional Parties and the Biogen Parties enter into the License Agreement, and (ii) for Aditech to waive, as set out in Clause 6, certain rights under the Patent Transfer Agreement.

3. EFFECTIVENESS OF THIS ADDENDUM

3.1 The Parties hereby acknowledge and agree that this Addendum shall be effective as of January 17, 2017 (the **"Addendum Effective Date").**

4. REPRESENTATIONS AND WARRANTIES

4.1 By signing this Addendum, each Party represents and warrants to the other Party as follows:

4.1.1 Organization. Such Party is duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization and has the requisite power and authority to execute, deliver and perform its obligations under this Addendum.

4.2 Authority. This Addendum has been duly authorized, executed and delivered by such Party and constitutes a legal, valid, binding and enforceable agreement of such Party enforceable in accordance with its terms, except to the extent that enforcement hereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other Laws affecting enforcement of creditors' rights or by general equitable principles.

4.3 Noncontravention. The execution, delivery and performance by such Party of this Addendum will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under any Contract to which such Party or any of its Affiliates is a party or by which such Party or any of its Affiliates is bound or to which any of the property or assets of such Party or any of its Affiliates is subject, (ii) violate any provision of the organizational documents of such Party or any of its Affiliates or (iii) violate any Law or Order applicable to such Party or any of its Affiliates or their respective properties, except, in the case of sub-Clauses (i) and (iii), as would not reasonably be expected to impair in any material respect the ability of such Party to perform its obligations under this Addendum; and no filing with or Consent, registration or qualification of or with any Governmental Entity, is required for the execution, delivery and performance by such Party of its obligations under this Addendum, except for where the failure to obtain or make any such filing, Consent, approval, authorization, Order, registration or qualification would not reasonably be expected to impair in any material respect the ability of such Party to perform its obligations under this Addendum.

5. CLARIFICATION OF THE CONSTRUCTION OF CERTAIN CLAUSES UNDER THE PATENT TRANSFER AGREEMENT

5.1 The Parties hereby agree to the clarifications set out in this Clause 5 relating to the construction of the Patent Transfer Agreement in relation to the License Agreement.

5.2 Notwithstanding any other possible construction of the Patent Transfer Agreement, the Parties hereby acknowledge and agree that any proceeds to be received by Forward from the Biogen Parties under the License Agreement shall only result in consideration being payable by Forward to Aditech under the Patent Transfer Agreement, as amended hereby, in accordance with paragraphs (a)-(d) below:

a) Aditech shall be entitled to receive from Forward, and Forward shall pay to Aditech, promptly following its receipt thereof, a cash payment equal to 2% of any “lump sum” or “base consideration” consideration received by Forward from the Biogen Parties under the License Agreement, (prior to taking into account taxes, duties and VAT, if any) excluding, for the avoidance of doubt, any consideration referred to in paragraphs (b) and (c) of this Clause 5.2. By way of example, if Forward receives $1.25 billion under the License Agreement as an upfront fee, Forward shall pay $25 million to Aditech.

b) In the event that Forward and the Additional Parties grant the Biogen Parties and their Affiliates an exclusive license to the Patent Rights (on a country-by-country basis) and Forward is entitled to receive royalty payments with respect to such Patent Rights in a country, Aditech shall be entitled to receive from Forward, and Forward shall pay to Aditech, promptly following its receipt

thereof, a cash payment equal to 2% of the Net Sales with respect to which Forward’s royalty percentage is calculated, accruing from the same period of time as any royalty payment payable by the Biogen Parties to Forward under the License Agreement (prior to taking into account taxes, duties and VAT, if any). Under no circumstances shall Forward be required to pay to Aditech an amount pursuant to this Clause 5.2(b) in excess of the royalty payment it receives from the Biogen Parties. By way of example, if the Biogen Parties pay Forward a royalty of 10% of the Biogen Parties’ Net Sales, then Forward shall pay to Aditech 20% of the amount received by Forward.

c) In the event that Forward and the Additional Parties grant (i) the Biogen Parties and their Affiliates only a co-exclusive license to the Patent Rights in the United States and Forward is entitled to receive royalty payments with respect to such Patent Rights, and/or (ii) any other third party co-exclusive rights under the Patent Rights in the United States, Aditech shall be entitled to receive from Forward, and Forward shall pay to Aditech, promptly following its receipt thereof, a cash payment equal to 20% of (a) any royalty payment received by Forward from the Biogen Parties or (b) 20% of any royalty payment or any “lump sum” replacing a royalty payment, received by Forward from such other third party (prior to taking into account taxes, duties and VAT, if any).

d) The Parties acknowledge and agree that any and all rights, title and interest in, to and under the Aditech Patent Rights have been lawfully, validly, and irrevocably transferred and assigned to Forward in accordance with Clause 2 of the Patent Transfer Agreement. If at any time from and after the date of this Addendum, any aspect of the immediately preceding sentence is not, for any reason, true and correct in all respects, Aditech agrees that it shall execute and deliver or procure the execution and delivery of any such instruments of transfer, conveyance, assignment and assumption, and take such other action as may be deemed necessary or desirable by Forward or the Biogen Parties, to confirm and assure that all rights, title and interest in, to and under the Aditech Patent Rights are lawfully, validly, and irrevocably transferred and assigned to Forward.

e) For the avoidance of doubt, if Forward’s rights, including payment rights, with Aditech’s acceptance, are transferred to any other entity than Forward, including by means of merger, de-merger or similar, this Clause 5.2 shall be interpreted to include any payments made by the Biogen Parties to any such other entity. Hence, any such transfer shall in no event adversely affect Aditech’s rights pursuant to this Addendum and the Patent Transfer Agreement. Aditech irrevocably accepts and pre-approves the transfer of Forward’s rights, including payment rights, to a wholly-owned subsidiary of Forward as contemplated by Appendix D to the License Agreement.

5.3 Aside from the consideration payable by Forward stipulated in Clause 5.2, the

Parties acknowledge and agree that Aditech shall not be entitled to receive any other consideration, royalty, proceeds or other form of payment or compensation from the Biogen Parties or Forward or any of their respective Affiliates under the Patent Transfer Agreement, as amended hereby, as a result of or in connection with (i) the License Agreement, and any licenses to be granted under the License Agreement and (ii) any rights to be granted to a third party *(i.e.*, a permitted assignment of Forward's co-exclusive rights).

5.4 For the avoidance of doubt, each Party shall be responsible for and incur the full cost of paying any taxes, duties, VAT etc., which such Party itself may be subject to (including any withholding tax required to be deducted and withheld on a payment made to the other Party to such Party).

6. WAIVER OF RIGHTS UNDER PATENT TRANSFER AGREEMENT

6.1 Aditech hereby unconditionally and irrevocably waives all of its rights under the following Clauses of the Patent Transfer Agreement: 3; 4; 7 (with respect to any assignee or licensee of Forward); 8.1; 11.1; 11.3; 12.1; 12.3; 18.1; 18.2; and 18.7 (with respect to Clauses 7 and 12.3).

6.2 For the avoidance of doubt, the Parties acknowledge and agree that the provisions of the Patent Transfer Agreement that are not amended, waived, terminated or clarified by this Addendum shall continue to be in full force and effect.

6.3 For the avoidance of doubt, Aditech acknowledges and agrees that, from and after the date of this Addendum, it and its Affiliates shall have no rights in, to or under any of the Intellectual Property owned or controlled by Forward or any of its controlled Affiliates (including any Intellectual Property previously assigned by Aditech to Forward and any Intellectual Property under which Forward or any of its controlled Affiliates has the right to grant a license), worldwide, other than the right to the payments set forth in Clauses 5.2(a)-(c).

6.4 The Parties unconditionally and irrevocably waive any breaches or other claims arising out of or under the Patent Transfer Agreement prior to the date of this Addendum.

7. TERM AND TERMINATION

7.1 Notwithstanding anything in the Patent Transfer Agreement to the contrary, the Parties hereby acknowledge and agree that the Patent Transfer Agreement and this Addendum shall remain in full force and effect indefinitely. The Parties further acknowledge and agree that no Party shall have the right to terminate or rescind, and shall not attempt to terminate or rescind, the Patent Transfer Agreement or this Addendum.

8. CHANGES TO THE LICENSE AGREEMENT

Forward hereby agrees that it shall not amend the License Agreement if such amendment would have an adverse effect on Aditech's rights under the Patent Transfer Agreement, as amended hereby, without Aditech's prior written consent.

9. OTHER PROVISIONS REMAIN EFFECTIVE

Subject to the terms and conditions of this Addendum, the Patent Transfer Agreement shall remain in full force and effect and from and after the Addendum Effective Date, the Patent Transfer Agreement and this Addendum shall be read and construed as one document.

10. CONFIDENTIALITY

Clause 9 of the Patent Transfer Agreement shall apply *mutatis mutandis* to this Addendum and the Parties agree that the existence and contents of this Addendum and any information relating thereto and to the settlement negotiations with the Biogen Parties and their Affiliates shall be deemed Confidential Information for purposes of the Amended Patent Transfer Agreement.

Notwithstanding Clause 9 of the Patent Transfer Agreement, the Parties agree that each Party shall be entitled to disclose the existence and contents of the Patent Transfer Agreement and this Addendum (i) as required by any applicable law or regulation, (ii) in connection with the extraordinary general meeting of Forward to be held in accordance with the License Agreement, including, for the avoidance of doubt, in connection with convening such general meeting, and (iii) as part of the negotiations of the License Agreement, under the Confidential Disclosure Agreement executed on October 14, 2016 between Biogen Inc. and Forward.

11. LAW AND VENUE

Clause 19 of the Patent Transfer Agreement shall apply *mutatis mutandis* to any dispute arising under this Addendum between the Parties or between any Party and any of the Biogen Parties.

12. COUNTERPARTS

This Addendum may be executed in one or more counterparts, all of which shall be considered one and the same agreement and

shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties. Delivery of an executed counterpart of a signature page of this Addendum by facsimile or other electronic image scan transmission shall be effective as delivery of a manually executed counterpart of this Addendum.

13. OTHER ACKNOWLEDGEMENTS

13.1 **Third Party Beneficiaries**

The Parties hereby acknowledge and agree that the Biogen Parties and each of their respective Affiliates, successors and assigns shall be an express third party beneficiary of this Addendum and shall have the right to directly enforce the terms and provisions of this Addendum. No Party may amend, agree to amend or waive any of its rights under this Addendum without the prior written consent of the Biogen Parties.

13.2 **No Rights Under License Agreement**

Aditech acknowledges and agrees that it does not and shall not have any rights in, to, under or with respect to the License Agreement, and that this Addendum does not grant it any such rights.

[Signatures to follow on the next page]

FOR FORWARD PHARMA A/S

Signature

Name: Florian Schőnharting

Position: Chairman of Board of Directors

Signature

Name: Grant Lawrence

Position: Member of Board of Directors

Signature

Name: Karen Smith

Position: Member of Board of Directors

Signature

Name: Jan van de Winkel

Position: Member of Board of Directors

FOR ADITECH PHARMA AG

Signature

Name: Michael Forer

Position: Director

APPENDIX G

Schedule of Permitted Liens

None.

APPENDIX H

Scheduled Employment Matters

It is possible that employees listed below who are employed in jurisdictions in which the TUPE Regulations apply may assert claims under such regulations as a result of the transactions contemplated by the Agreement. The parties do not acknowledge hereby that any such claims will be accepted or are legally valid. Finally, Licensor has agreed to indemnify Licensee for any such claims pursuant to Section 2.10.

1. Chris Rundfeldt (employee)
2. Christin Galetzka (employee)
3. Peder Moller Andersen (CEO)
4. Joel Sendek (employee)
5. Thomas Carbone (employee)
6. Sharon Klahre (employee)
7. Anders R. Therkelsen (employee)
8. Guillaume de Sampaio (former employee)
9. Kristin Leye (employee)
10. Claus Bo Svendsen (employee)
11. Andrzej J. Stano (employee)
12. Rupert Sandbrink (employee)
13. Anders Livsø (employee)
14. Andrea Ines Rudolph (employee)
15. Torben Tvermosegaard (employee)

APPENDIX I

Additional Parties

1. Aditech Pharma AG
2. NB FP Investment General Partner ApS
3. NB FP Investment SLP ApS
4. Tech Growth Invest ApS

Exhibit 12.1

CERTIFICATION

I, Claus Bo Svendsen, certify that:

(1) I have reviewed this annual report on Form 20-F of Forward Pharma A/S;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

(4) The company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

(5) The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Dated: April 18, 2017

/s/Claus Bo Svendsen
Claus Bo Svendsen
Principal Executive Officer

Exhibit 12.2

CERTIFICATION

I, Joel Sendek, certify that:

(1) I have reviewed this annual report on Form 20-F of Forward Pharma A/S;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

(4) The company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

(5) The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Dated: April 18, 2017

/s/Joel Sendek
Joel Sendek
Principal Financial Officer and Principal Accounting Officer

Exhibit 13.1

CERTIFICATION BY THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Forward Pharma A/S (the "Company"), on Form 20-F for the fiscal year ended December 31, 2016 as filed with the Securities and Exchange Commission (the "Report"), I, Claus Bo Svendsen, Chief Executive Officer and principal executive officer, hereby certify as of the date hereof, solely for purposes of 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Dated: April 18, 2017

/s/Claus Bo Svendsen
Claus Bo Svendsen
Principal Executive Officer

Exhibit 13.2

CERTIFICATION BY THE PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Forward Pharma A/S (the "Company"), on Form 20-F for the fiscal year ended December 31, 2016 as filed with the Securities and Exchange Commission (the "Report"), I, Joel Sendek, Chief Financial Officer and principal financial officer and principal accounting officer, hereby certify as of the date hereof, solely for purposes of 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Dated: April 18, 2017

/s/ Joel Sendek
Joel Sendek
Principal Financial Officer

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333- 203313) pertaining to the Forward Pharma A/S 2014 Omnibus Equity Incentive Compensation Plan of our report dated April 18, 2017, with respect to the consolidated financial statements of Forward Pharma A/S included in this Annual Report (Form 20-F) for the year ended December 31, 2016.

/s/ Ernst & Young P/S
Copenhagen, Denmark
April 18, 2017