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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 20-F**

(Mark One)

**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, 2020

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

OR

**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)

**Claus Bo Svendsen  
Chief Executive Officer  
Østergade 24A, 1st floor  
1100 Copenhagen K  
Denmark**

Tel: +45 3344 4242

E-mail: [investors@forward-pharma.com](mailto:investors@forward-pharma.com)

(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.

<u>Title of each class</u>	<u>Trading symbol(s)</u>	<u>Name of each exchange on which registered</u>
Ordinary shares, nominal value 0.01 DKK(1)	FWP	The Nasdaq Capital Market

(1) Each ADS represents fourteen ordinary shares

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: 96,487,597**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  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.  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  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files).  Yes  No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer   
Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

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

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

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.

Item 17  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).

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.

Yes  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, or 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 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 subsidiaries, as required by the context.

References to "FP USA" refer to Forward Pharma USA, LLC, a Delaware corporation and wholly-owned subsidiary of Forward Pharma A/S. References to "Operations" refer to Forward Pharma Operations ApS, a Danish corporation and wholly-owned subsidiary of Forward Pharma A/S. References to "FP GmbH" refer to Forward Pharma GmbH, a German corporation and wholly-owned subsidiary of Operations. References to "FA" refer to Forward Pharma FA ApS, a Danish corporation and wholly-owned subsidiary of Operations.

## 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, including any appeals, related to the patents and intellectual property associated with the Company, including the European Patent Office opposition proceeding with Biogen Inc. relating to EP2801355;
- our ability to defend our tax filing position in any ongoing tax audits;
- our ability to successfully protect, defend and enforce the intellectual property associated with the Company;
- our ability to maintain our listing on The Nasdaq Capital Market;
- the impact of the novel coronavirus 2019, or COVID-19, on our business and stock price and the timing of the opposition proceeding;
- 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, 2020, 2019 and 2018, and as of December 31, 2020 and 2019, 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, 2017 and 2016, and as of December 31, 2018, 2017 and 2016, 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**

(USD in thousands, except per share data)	Year ended December 31,				
	2020	2019	2018	2017	2016
Revenue from the Settlement License Agreement	—	—	—	1,250,000	—
Cost of the Aditech Pharma AG patent agreement	—	—	—	(25,000)	—
Research and development costs	(327)	(1,049)	(2,748)	(20,496)	(41,052)
General and administrative costs	(3,059)	(4,234)	(9,535)	(17,107)	(14,382)
Operating (loss) income	(3,386)	(5,283)	(12,283)	1,187,397	(55,434)
Exchange rate (loss) gain, net	(2,970)	759	2,713	(241)	598
Interest income from available-for-sale financial assets	—	—	—	227	389
Other finance (expense) income	(93)	303	644	(2,895)	(92)
(Loss) income before tax	(6,449)	(4,221)	(8,926)	1,184,488	(54,539)
Income tax benefit (expense)	—	—	204	(267,395)	21,203
Net (loss) income for the year	(6,449)	(4,221)	(8,722)	917,093	(33,336)
Net (loss) income per share (1)					
Basic	(0.07)	(0.04)	(0.09)	2.41	(0.06)
Dilutive	(0.07)	(0.04)	(0.09)	2.30	(0.06)
Weighted-average shares outstanding used to calculate net (loss) income per share					
Basic	95,997	95,074	94,671	380,133	540,650
Dilutive	95,997	95,074	94,671	398,943	540,650

- (1) During August 2017, the Company's shareholders approved a 10 for 1 share split, or the Share Split. All share and per share information disclosed above, as well as throughout this Annual Report, has been adjusted to reflect the Share Split as if it had occurred at the beginning of the

earliest period presented. Following the Share Split, the nominal value of an ordinary share of the Company is 0.01 DKK. In addition, in September 2017, there was a capital reduction that was effected by the annulment of 80% of the ordinary shares outstanding and was deemed, for IFRS purposes, to have been at a 15% premium, or 15% Premium. For purposes of computing the per share amounts only, the 15% Premium has been accounted for in a manner similar to the Share Split and reflected in the above per share amounts as if it had occurred at the beginning of the earliest period presented. The combined effect of the Share Split and the 15% Premium is as if a 11.5 for 1 share split had occurred at the beginning of the earliest period presented.

### Consolidated Statement of Financial Position Data

(USD in thousands)	As of December 31,				
	2020	2019	2018	2017	2016
Cash, cash equivalents and available-for-sale financial assets	79,087	77,598	82,542	109,554	138,723
Working capital (2)	78,641	77,567	82,212	89,706	132,465
Total assets	79,714	78,165	83,332	111,008	163,143
Accumulated deficit	(14,825)	(8,432)	(5,686)	(2,373)	(147,400)
Total shareholders' equity	78,644	77,569	82,214	89,680	155,802

(2) Working capital is defined as total current assets less total current liabilities.

### Exchange Rate Information

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

### 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 we will prevail in the opposition proceeding involving our EP2801355 patent after any appeals or, if we do prevail, that the resulting claims of our EP2801355 patent will be royalty bearing under the Settlement and License Agreement with Biogen.***

We are involved in an opposition proceeding regarding EP2801355, or EP'355 patent, with several opponents including a subsidiary of Biogen Inc. (all subsidiaries of Biogen Inc., together with Biogen Inc., hereafter collectively referred to as "Biogen"), or the Opposition Proceeding. On January 29, 2018, the European Patent Office, or EPO, revoked the EP'355 patent following the oral hearing in the Opposition Proceeding. On March 22, 2018, the Opposition Division issued its written decision with detailed reasons for the decision. On May 7, 2018, the Company submitted its notice of appeal, and on August 1, 2018, the Company submitted the detailed grounds for the appeal. On July 8, 2019, we received notice from the EPO that the appeal was scheduled to be heard by the Technical Board of Appeal, or TBA, of the EPO on June 18, 2020, or the 2020 Hearing. The 2020 Hearing has subsequently been postponed twice as the result of the ongoing COVID-19 pandemic. The 2020 Hearing was initially rescheduled to be heard on February 2, 2021 and on January 12, 2021, the EPO informed the Company that the appeal hearing would be postponed a second time to September 6, 2021, or the 2021 Hearing. The 2021 Hearing may be further delayed as a result of the COVID-19 pandemic. Management expects the TBA to issue a ruling on the same day as the hearing with a fully-argued decision to follow approximately two months after the 2021 Hearing.

If we receive a favorable ruling following the 2021 Hearing, it is expected that the TBA will remit the case to the Opposition Division, in order for the Opposition Division to resolve the remaining elements of the original opposition. Management estimates that the Opposition Division would take approximately two to three years to resolve the remaining elements of the original opposition in the event of a remittal. However, delays can occur that would extend the time needed for the Opposition Division to reach a conclusion on the remaining elements of the original opposition. We are not entitled to any royalty payments from our Settlement and License Agreement, dated as of January 17, 2017, or the License Agreement, with two subsidiaries of Biogen that became effective on February 1, 2017, until and unless all remaining elements of the original opposition are resolved in our favor. As such, the earliest time we may expect to receive any revenues from the License Agreement, if at all, is 2024.

If we receive an unfavorable ruling in the 2021 Hearing, it would, for all practical purposes, represent an unsuccessful outcome of the Opposition Proceeding, resulting in no royalties being due to us from Biogen based on Biogen's future net sales outside the United States, as defined in the License Agreement. We may request a rehearing of the 2021 Hearing with the Enlarged Board of Appeal of the EPO in an effort to overturn the unfavorable outcome, but the likelihood of getting a rehearing is low. The denial of a request to rehear would end the Opposition Proceeding in favor of the opponents.

There can be no assurance that we will be successful in the Opposition Proceeding after any appeals. Even if we receive a favorable ruling following the 2021 Hearing, the Opposition Division may not resolve the remaining elements of the original opposition in our favor. If we are not ultimately successful in the Opposition Proceeding, we would not be entitled to any future revenues resulting from the License Agreement.

***Even if we prevail, after any appeals, in the Opposition Proceeding, there can be no assurance that we will receive additional payments under the License Agreement with Biogen.***

Even if we prevail, after any appeals, in the 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 Opposition Proceeding, after any appeals, but fail as a result of that proceeding to obtain issuance of a patent with a claim that



covers treatment for multiple sclerosis, or MS, by orally administering 480 mg per day of dimethyl fumarate, or DMF, in which case we would not be entitled to any royalties from Biogen with respect to sales outside of the United States. Moreover, even if we prevail, after any appeals, in the Opposition Proceeding, we will only be eligible to receive royalties outside of the United States 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 United States 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 need 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 receive or maintain Supplementary Protection Certificates, or SPCs, for any 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® outside of the United States. 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.***

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 potential right to royalties from Biogen under the License Agreement.

***We may face business disruption and related risks resulting from the ongoing COVID-19 pandemic, which could have an adverse effect on our business.***

Our business and its operations have been and may continue to be disrupted and adversely affected by the ongoing COVID-19 pandemic. As a result of measures imposed by the governments in affected regions, including throughout Europe, businesses and government agencies have been suspended due to quarantines intended to contain this outbreak. Such measures have negatively impacted and may in the future negatively impact certain of our business operations, including the expected timelines for the resolutions of our ongoing tax audits and the Opposition Proceeding, each described elsewhere in this Annual Report. Additionally, as a result of the COVID-19 pandemic, we have been required to limit our operations and implement limitations, including work-from-home policies.

In addition, international stock markets have been volatile as a result of the uncertainty associated with the impact of the COVID-19 pandemic on the global economy. If such volatility continues, our stock price may be negatively affected as a result.

The ultimate impact of the ongoing COVID-19 pandemic is highly uncertain and subject to rapid changes. We do not yet know the full extent of potential disruptions or impacts on our business, our ongoing tax audits, the Opposition Proceeding, or the global economy as a whole, and any such disruptions could have a material adverse effect on our operating results and financial condition.

***Our future growth and ability to compete depend 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, Grant Hellier Lawrence, Jakob Mosegaard Larsen, and Duncan Moore. Additionally, our Chief Executive Officer, Claus Bo Svendsen, and our Vice President, Finance and Controller, FP USA, 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.

***Changes in privacy laws could have an adverse effect on our business.***

The regulatory framework for privacy and cybersecurity issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. In May 2016, the European Union adopted the General Data Protection Regulation, or GDPR, which imposes more stringent data protection requirements and will provide for greater penalties for noncompliance. Additionally, following the United Kingdom's withdrawal from the European Union and the European Economic Area, companies also have to comply with the United Kingdom's data protection laws (including the GDPR as incorporated into UK national law), the latter regime having the ability to separately fine up to the greater of £17.5 million or 4% of global turnover. We may be required to incur significant costs to comply with privacy and data security laws, rules and regulations, including the GDPR and UK national law. Any inability to adequately address privacy and security concerns or comply with applicable privacy and data security laws, rules and regulations could have an adverse effect on our business prospects, results of operations and/or financial position.

***Our business and operations may be materially adversely affected in the event of computer system failures or security breaches.***

Despite the implementation of security measures, our internal computer systems, and those of any third-party vendor on which we rely from time to time, are vulnerable to damage from computer viruses, unauthorized access, cyber-attacks, natural disasters, fire, terrorism, war and telecommunication and electrical failures. If such an event were to occur and interrupt our operations, it could result in a material disruption to our operations. To the extent that any disruption or security breach results in a loss of or damage to our data or applications, loss of trade secrets or inappropriate disclosure of confidential or proprietary information, including protected health information or personal data of employees or former employees, we could incur liability. We may also be vulnerable to cyber-attacks by hackers or other malfeasance. This type of breach of our cybersecurity may compromise our

confidential information or our financial information and adversely affect our business or result in legal proceedings.

## **Risks Related to Intellectual Property**

### ***We no longer have full control over the licensed intellectual property associated with the Company.***

Pursuant to the License Agreement, in 2017 we effected a corporate restructuring whereby we transferred our intellectual property to FWP IP ApS, or FWP IP, a Danish limited liability company. The capital stock of FWP IP was subsequently transferred to and is now held by FWP HoldCo ApS, or HoldCo, a Danish limited liability company, which is owned and controlled by FWP Fonden, or the Foundation, an independent Danish foundation. The boards of directors of the Foundation, HoldCo and FWP IP are identical and each consist of three members, comprised of one independent member and one member appointed by each of Forward Pharma and Biogen. All actions of the Foundation, HoldCo and FWP IP require the unanimous approval of their respective boards of directors. As a result, we no longer have full control over the licensed intellectual property associated with the Company. Even though we have agreed with Biogen and FWP IP that FWP IP will be required to take actions with respect to the transferred intellectual property, which now consists only of the non-U.S. intellectual property associated with the Company, in accordance with the provisions of the License Agreement, there can be no assurance that it will do so or that the prosecution of the intellectual property will be pursued in a manner that maximizes the value of the intellectual property over time. Further, in the event that FWP IP, which holds 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 FWP IP at a price corresponding to its intrinsic value at the time of exercise. Finally, in the event the Foundation were 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 material adverse effect on our business.

***There can be no assurance that even if we are successful in the opposition and appeal proceedings involving the patents associated with the Company currently pending before the EPO, we will not be subject to subsequent or parallel invalidity proceedings involving these same or other patents associated with the Company before a national court in any of the European Patent Convention member states where the patents were validated, which subsequent or parallel proceedings could result in the 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, the 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 practices 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 the 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 the 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, the 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 United States if the patent(s) remain valid at relevant times on a country-by-country basis, provided that other conditions of the License Agreement are satisfied.

***We rely on Biogen for the filing, prosecution and maintenance of certain of the non-U.S. licensed intellectual property and if Biogen fails to adequately protect such intellectual property, our rights to the intellectual property associated with the Company and our ability to receive future royalties from Biogen may be harmed.***

Under the License Agreement, Biogen has assumed the filing, prosecution and maintenance of all of the non-U.S. licensed intellectual property associated with the Company, except for the EP'355 patent. While Biogen is obligated to take all reasonable measures to diligently file, prosecute and maintain the non-U.S. licensed intellectual property for which it is responsible, there can be no assurances that Biogen will protect the intellectual property to the same degree as the Company. If Biogen fails to adequately protect the non-U.S. licensed intellectual property, the Company could lose such intellectual property rights. Additionally, if the non-U.S. licensed intellectual property is harmed, any future royalty payments from Biogen on the non-U.S. licensed intellectual property may be negatively impacted.

***We may be required to pay significant fees to the EPO and our attorneys to file, prosecute, maintain and defend certain of the licensed intellectual property with no assurance of receiving future royalties from Biogen.***

In certain circumstances under the License Agreement, the Company may assume the filing, prosecution and maintenance of certain of the Company's non-U.S. licensed intellectual property in order to protect its interests in such intellectual property, including participating in European opposition proceedings, unless and until Biogen either re-assumes the filing, prosecution and maintenance of such non-U.S. licensed intellectual property or exercises its option to purchase all of the Company's non-U.S. licensed intellectual property. To do so, the Company would have to incur significant fees, including attorneys' fees, to file, prosecute and maintain such non-U.S. licensed intellectual property and may not be entitled to receive any royalties from Biogen.

***We may become involved in lawsuits to protect, defend and enforce the patents or other intellectual property associated with the Company, 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 the patents or other intellectual property associated with the Company. To counter such infringement, we 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 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 associated with the Company is invalid in whole or in part, unenforceable, or construes the patent's claims narrowly allowing the other party to commercialize competing products on the grounds that the patents associated with the Company do not cover such products.

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our personnel from their normal responsibilities. Such litigation or proceedings could substantially increase our operating expenses. We 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 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 to compete in the marketplace.

***Third parties may claim rights including ownership rights in the intellectual property associated with the Company.***

None of the named inventors on the patent and patent applications associated with the Company were our employees at the time of the filing of the Core Composition Patent family that 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 the intellectual property associated with the Company.

Under mandatory Danish law, a salaried employee having made a patentable invention (and products that may be registered as utility models) 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 acquire the rights to the invention. 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 the newer applications associated with the Company (not the Core Composition Patent family) are or were employees of our German subsidiary, FP 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 the employee.

We believe that all inventive contributions made by employees of FP 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 FP 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 have limitations and may not adequately protect our business.***

The degree of future protection afforded by the intellectual property rights associated with the Company is uncertain because intellectual property rights have limitations and may not adequately protect our business. The following examples are illustrative:

- Others may be able to commercialize DMF-containing products that are not covered by the claims of the patents or patent applications associated with the Company.
- Others may independently develop similar or alternative technologies or otherwise circumvent any of our technologies without infringing the patents or patent applications that we own, license or will own or license.
- 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 the pending patent applications associated with the Company will not lead to issued patents.
- Issued patents that we own, license or will own or license may not provide us 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 the patents or patent applications associated with the Company 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.

#### **Risks Related to Our Financial Position and Capital Needs**

***With the exception of 2017, we have a history of operating losses and we may not achieve or sustain profitability.***

Since the Company's inception, with the exception of 2017 when we received a nonrecurring cash fee of \$1.25 billion, or the Non-refundable Fee, from Biogen in connection with the License Agreement, we have incurred net losses and negative cash flows from operations. We expect to incur net losses and negative cash flows from operations for the foreseeable future, subject to the resolution of the Opposition Proceeding. There is no assurance that we will ever have operating revenues, net income or positive cash flows from operations in the future. The Group's ability to generate future operating revenue is currently limited to royalties that are contingently due to the Company under the License Agreement only if we prevail, including all appeals, in the Opposition Proceeding. If we fail to prevail in the Opposition Proceeding, it is highly unlikely we will have operating revenues and our ability to continue as a going concern long-term would be uncertain.

Historically, we have financed our operations through our initial public offering completed in October 2014, private placements of equity securities, a government grant, and debt financing arrangements. We have never generated and do not anticipate generating any revenues from our own 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 twelve months. Should the Company experience unforeseen expenses or other usages of cash, the effect would negatively impact management's ability to fund operations and continue as a going concern. In addition, the Danish and German tax authorities have commenced tax audits of the Group's Danish and German tax returns covering multiple years through the year ended December 31, 2017. Management has determined, based on consultations with the Group's tax advisors, that it is not probable (i.e., more likely than not) that the Group will be required to pay additional taxes to the German tax authorities upon the ultimate resolution of the joint tax audit. However, such determination is inherently subjective and, if it is incorrect, then the Group may be subject to significant additional tax levies. The imposition of additional taxes, interest and/or penalties by the taxing authorities could have a material adverse effect on the Group. If the Company were to need to raise capital to fund ongoing operations, there can be no assurances that such funding would be available on acceptable terms, if at all. The long-term success of the Company will be based on successfully defending the intellectual property associated with the Company in the Opposition Proceeding. There can be no assurance that the Company will successfully defend the intellectual property, achieve or sustain positive cash flows from operations or become profitable.

Even if we do generate revenue, including from future royalties on sales, 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 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.

***Negative results from ongoing tax audits could result in additional taxes, interest and penalties becoming due that could negatively impact our financial position, results of operations and cash holdings.***

The Company's Danish, German and United States tax returns are subject to periodic audit by the local tax authorities and are subject to ongoing audits in Germany and Denmark. Such audits could result in the tax authorities disagreeing with the tax filing positions taken by the Group. If the Group is unable to defend the tax filing positions taken, additional taxes, interest and penalties would be assessed against the Group and such amounts could have a material adverse effect on our financial position, results of operations and cash holdings.

Currently, the Danish and German tax authorities are conducting a joint tax audit of our Danish and German tax returns covering multiple years through the year ended December 31, 2017. To date, the joint tax audit has focused on whether cross-border intercompany transactions were conducted at arm's length and in accordance with tax regulations. Management believes that the intercompany transactions that are the focus of the joint tax audit were conducted at arm's length and are in accordance with tax regulations; however, the Danish and German tax authorities may decide to allocate a greater portion of the Group's total 2017 taxable income to Germany. The corporate income tax rate is higher in Germany than in Denmark and therefore any reallocation of the Group's 2017 taxable income from Denmark to Germany will have a negative effect on our financial position, results of operations and cash holdings that could be material.

Management has determined, based on consultations with the Group's tax advisors, that it is not probable (i.e., more likely than not) that the Group will be required to pay additional taxes to the German tax authorities upon the ultimate resolution of the joint tax audit. However, such determination is inherently subjective and, if it is incorrect, then the Group may be subject to significant additional tax levies. The ultimate resolution of the joint tax audit may require that the Group incur a material outflow of cash that would negatively affect the Group's financial position, results of operations and cash holdings. The timing of the completion of the joint tax audit by the tax authorities is currently unknown.

The Company made certain cash payments to equity award holders during the year ended December 31, 2017 that totaled 36.2 million EUR (\$43.4 million based on the December 31, 2017 exchange rate). Management believes these payments are tax deductible expenses; however, the tax authorities could disagree. Management believes that appropriate tax filing provisions have been taken by the Company and its subsidiaries regarding these payments; however, if the Group is unable to defend the tax filing positions taken, additional taxes, interest and penalties would be assessed against the Group and such amounts could have a material adverse effect on our financial position, results of operations and cash holdings.

***There is no assurance that the joint tax audit being conducted by the Danish and German tax authorities will not result in double taxation.***

The Danish and German tax authorities may conclude their joint tax audit of the Group's Danish and German tax returns without reaching an agreement as to whether intercompany transactions were conducted at arm's length and whether each tax jurisdiction was allocated an equitable portion of the Group's taxable income. In the event of such a conclusion, we believe that one, or possibly both, tax jurisdictions would assess additional taxes on the Company and/or FP GmbH, which would result in double taxation of the Group's taxable income. If double taxation were to occur, the Group would experience a higher effective tax rate, which could be material to and would negatively affect the Group's financial position, operating results and cash holdings.

In the event that the joint tax audit results in double taxation, the Group may choose to enter into a Mutual Agreement Procedure, or MAP, and/or commence litigation against the tax authorities in order to avoid or mitigate the negative effect of double taxation. A MAP is a



government-to-government dispute resolution mechanism, which would enable the relevant authorities to resolve the tax dispute on a mutually agreeable basis. A MAP may also follow an independent arbitration procedure to secure a successful resolution. If litigation were pursued, it would likely be time-consuming and costly and there remains a high uncertainty as to whether we would successfully avoid or mitigate the double taxation. If a MAP were pursued, it would also be time-consuming and potentially costly and, while double taxation would be eliminated, there remains a high uncertainty whether we would get relief from an increase to the Group's tax obligation, since the outcome of a MAP could be that a greater portion of the Group's total 2017 taxable income is allocated to Germany. We currently estimate that litigation could take up to five years and a MAP could take up to three years to conclude and could be further prolonged by other factors, including in respect of a MAP the addition of an arbitration procedure. The cost to pursue a MAP and/or litigation and any potential taxes, interest and penalties due at the conclusion of the MAP and/or litigation could each have a material adverse effect on the Group's financial position, operating results and cash holdings.

***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 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 currently believe we have sufficient resources to enable us to comply with our obligations under the License Agreement and continue as a going concern beyond the next twelve months, unforeseen events could negatively affect our estimates and assumptions about how much capital will be required for us to meet our near and long-term obligations under the License Agreement and to continue as a going concern. If our current estimates and assumptions prove to be wrong and we need to raise additional capital to meet our obligations under the License Agreement and remain a going concern, 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 addition, if we fail to prevail in the Opposition Proceeding, including all appeals, future revenues are unlikely and the Company's ability to continue as a going concern long-term would be uncertain.

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, but not limited to, incurring additional debt, making capital expenditures, declaring and paying dividends or making capital reductions.

***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 amount of our cash is currently denominated in U.S. Dollars and Euros, fluctuations in exchange rates, particularly between the Danish Kroner, or the DKK, the Euro and the U.S. Dollar, may adversely affect us. Although we are based in Denmark, we have sourced many services from several countries outside Denmark where the transactions are settled in currencies that are not the DKK. Further, potential future revenue may be derived from abroad. As a result, our business is affected by fluctuations in foreign exchange rates between the DKK, the Euro, the U.S. Dollar or other currencies, and the effects

could have a significant impact on our reported results of operations and cash flows from period to period. For example, in the year ended December 31, 2020 we recognized a foreign exchange loss of \$3.0 million. This loss was primarily related to our U.S. Dollar cash holdings and the weakening of the U.S. Dollar during the year compared to the DKK. While we benefited from changes in foreign exchange rates in 2019 and 2018, it is possible that the foreign exchange loss experienced in 2020 could reoccur. Any foreign exchange losses would negatively affect the Group and the effect could be material. Currently, we do not have any exchange rate hedging arrangements in place and do not currently have plans to implement any hedging arrangements. Losses incurred by the Company, including those caused by foreign exchange, could have a negative effect on the trading price of the ADSs.

***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. 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, cases of progressive multifocal leukoencephalopathy 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®. 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 United States, have detailed transfer pricing rules which require that all transactions with related parties be priced using arm's-length pricing principles. The taxation authorities in these jurisdictions could challenge our arm's-length related-party transfer pricing practices. For example, prior to the consummation of the License Agreement with Biogen, FP GmbH and the Company terminated their internal license agreement and agreed that FP GmbH should be paid an arm's-length compensation for said termination. 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. The Danish and German tax authorities have commenced a joint tax audit of the Group's Danish and German tax returns covering multiple years through the year ended December 31, 2017 and, to date, the joint tax audit has focused on whether cross-border intercompany transactions were conducted at arm's length and in accordance with tax regulations. It is uncertain when, or if, a tax audit will commence in the United States. If such a tax audit were to occur, we expect that the U.S. tax authorities will also focus on the intercompany recognition of revenue and expense to ensure that such transactions were conducted at arm's length. There is no assurance that the Group will successfully defend that intercompany transactions were conducted in accordance with arm's length pricing principles and that any additional taxes, interest or penalties, which could be material, will not be incurred. There is also the risk that the tax authorities could impose additional taxable income or disallow the deductibility of expenses on intercompany cross-border transactions resulting in higher tax obligations in one or more tax jurisdictions. Management's experience has been that the tax authorities can be aggressive in taking positions that would increase taxable income and/or disallow deductible

expenses reported. If the tax authorities are successful in increasing taxable income and/or disallowing the deduction of expenses in one or more jurisdictions, it would result in the Group experiencing a higher effective tax rate that could be material. The imposition of additional taxes, interest and/or penalties resulting from a tax audit would negatively impact the Company's financial position, operating results and cash flows and the impact could be material.

Management has determined, based on consultations with the Group's tax advisors, that it is not probable (i.e., more likely than not) that the Group will be required to pay additional taxes to the German tax authorities upon the ultimate resolution of the joint tax audit. However, such determination is inherently subjective and, if it is incorrect, then the Group may be subject to significant tax levies. The ultimate resolution of the joint tax audit may require that the Group incur a material outflow of cash that would negatively affect the Group's financial position, results of operations and cash holdings.

***We may need to return the proceeds of a government grant if it is found that we did not fully comply with all terms and conditions.***

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, or SAB, awarded FP GmbH a grant, or the Grant, of €3.8 million (\$4.7 million based on the December 31, 2020 exchange rate) that subsidized certain product development costs incurred by FP GmbH, during the period from March 2007 to December 2008. While the SAB has conducted an audit of the use of proceeds and confirmed that FP GmbH had complied with all the terms and conditions of 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 fully comply with all the terms and conditions of the Grant. While we believe that FP GmbH is in full compliance with all the terms and conditions of the Grant, there is always a risk that the SAB in the future could disagree and demand repayment of the Grant plus interest. If we were required to repay the Grant, it would have a material negative effect on our financial position and operating results.

#### **Risks Related to Our Ordinary Shares and ADSs**

***If we fail to maintain the listing of our ADSs with a U.S. national securities exchange, the liquidity of our ADSs could be adversely affected.***

Our ADSs are currently listed for trading on The Nasdaq Capital Market. In order to maintain our listing on The Nasdaq Capital Market, we must comply with certain Nasdaq listing rules. In June 2019, we received written notices from Nasdaq indicating that we were not in compliance with two of the requirements for continued listing on The Nasdaq Global Select Market, which was our listing venue at the time. In order to regain compliance and maintain our listing, we subsequently transferred our listing venue from The Nasdaq Global Select Market to The Nasdaq Capital Market and changed the ADS ratio from one ADS per two ordinary shares to one ADS per fourteen ordinary shares through a reduction of the number of outstanding ADSs.

While the trading price of our ADSs has been above \$1.00, as required by the Nasdaq listing rules, since the ADS ratio change was effected, there is no assurance that the trading price will stay above \$1.00. We actively monitor the price of our ADSs and will consider available options, including, but not limited to, changing the ADS ratio, to maintain compliance with the continued listing standards of Nasdaq. We cannot assure that we will stay in compliance with Nasdaq's continued listing standards. If we fail to comply with the continued listing standards of Nasdaq, we will not be able to remain listed on that stock exchange, which could have a material adverse effect on the price of our ADSs. In addition, if we do not prevail in the Opposition Proceeding, we may choose to delist our ADSs from The Nasdaq Capital Market.

If our ADSs are delisted, either by Nasdaq or voluntarily by the Company, our ADSs may be eligible to trade on the OTC Bulletin Board or another over-the-counter market, however, such delisting could have an adverse impact on the price of our ADSs. Any such alternative would likely result in it being more difficult for us to raise additional capital through the public or private sale of equity securities and for investors to dispose of, or obtain accurate quotations as to the market value of, our ADSs. In addition, there can be no assurance that our ADSs would be eligible for trading on any such alternative exchange or markets.

***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 afford their holders different rights. Currently, only our ADSs are publicly traded (on The Nasdaq Capital Market). An ADS holder will not be treated as one of our shareholders and will not have shareholder rights. Danish law governs shareholder rights. Our depository, 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 depository, and ADS holders sets out ADS holder rights as well as the rights and obligations of the depository.

***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 in the Opposition Proceeding;
- developments regarding our ongoing tax audits;
- economic conditions related to the ongoing COVID-19 pandemic;
- developments concerning proprietary rights, including patents and litigation matters;
- technological innovations or commercial product introductions by our competitors;
- changes in government regulations;
- public concern relating to the commercial value or safety of Tecfidera®;
- 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.

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

A lack of liquidity in the markets for our ADSs could 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. As a result of the ADS ratio change that we effected in December 2019, there are fewer ADSs outstanding, which could have a negative impact on liquidity for such ADSs. 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, and director, Torsten Goesch, indirectly beneficially own approximately 72% of our ordinary shares, of which approximately 54% is beneficially owned by Mr. Schönharting. With such concentrated control, Messrs. Schönharting and Goesch, acting individually or in concert, have significant influence over the outcome of corporate actions requiring board and shareholder approval, including the election of directors, certain decisions relating to our capital structure, amendments to our Articles of Association, and the approval of mergers and other significant corporate actions or transactions. The interests of these insiders may not always coincide with our interests or the interests of our other shareholders or holders of the ADSs and those other shareholders and holders of the ADSs may have no effective voice in the management of the 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 direct shareholders in the Company. The deposit agreement provides that, upon receipt of notice of any meeting of holders of our ordinary shares, the depository 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 depository 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 depository 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 depository 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 depository, 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 depository 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 do not expect to pay dividends or other shareholder distributions in the foreseeable future.***

While we distributed the proceeds from a capital reduction of EUR 917.7 million, or \$1.1 billion, to our ADS holders and shareholders in September 2017, we do not expect to pay dividends or other shareholder distributions in the foreseeable future. Even if future operations lead to significant levels of distributable profits, any earnings may be reinvested in our business and dividends or other shareholder distributions, if any, may not be paid until we have an established revenue stream to support such continuing dividends or other shareholder distributions. Payment of future dividends or other shareholder distributions, if at all, will effectively be at the discretion of our board of directors, after taking into account various factors including our business prospects, cash requirements and financial performance. In addition, payment of future dividends may be made only if our shareholders' equity exceeds the sum of share capital plus the reserves required to be maintained by the License Agreement, Danish law or by our Articles of Association. Accordingly, investors cannot rely on income from dividends or other shareholder distributions and any returns on an investment in the ADSs may depend entirely upon any future appreciation in the price of the ADSs.

***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, 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. 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 non-accelerated filers are required to file their annual report on Form 10-K within 90 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, 2021. 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 United States and we continue to fail to meet additional requirements necessary to maintain our foreign private issuer status. As of December 31, 2020, approximately \$168,000 of our assets were located in the United States, although this may change if we expand our operations in the United States. 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 of 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. 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 maintain effective internal control over financial reporting could result in material misstatements in our financial statements which could negatively impact the price of our ADSs.***

In connection with the preparation of our consolidated financial statements for the year ended December 31, 2020, we carried out an evaluation of the effectiveness of our internal controls over financial reporting and concluded that our previously identified material weakness still exists, as described in "Item 15. Controls and Procedures" herein. We cannot assure you that our internal control over financial reporting will be effective in the future or that additional material weakness will not be discovered.

As a consequence of this material weakness, management concluded that our internal control over financial reporting and, consequently, our disclosure controls and procedures, were not effective as of December 31, 2020. Our management believes that the consolidated financial statements included in this annual report fairly present, in all material respects, our financial condition, results of operations and cash flows for the periods presented.

We have taken actions, or Actions, to remediate the causes of the material weakness; However, since the material weakness was associated with specific transactions that did not occur subsequent to implementing the Actions, there has been no opportunities for us to monitor and test that the Actions taken were sufficient to mitigate the material weakness. The lack of objective evidence to support that the material weakness has been remediated, necessitates that we continue to report that the material weakness has not been remediated. Failure to effectively remediate the causes of this material weakness or establish and maintain effective internal control over financial reporting could result in material misstatements in our financial statements or a failure to meet our reporting obligations. This, in turn, could negatively impact the Company's financial position, operating results and cash flows, the market price of our ADSs and our ability to remain listed on The Nasdaq Capital Market.

***Failure to comply with 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. We concluded that our disclosure controls and procedures and internal controls over financial reporting were not effective as of December 31, 2020, and there is no assurance that we will be able to remediate the material weakness and 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. Presently, the Company is not covered by any analysts. If we are covered by securities or industry analysts in the future and such analysts downgrade

our ADSs or publish inaccurate or unfavorable research about our business, the price of our ADSs would likely decline. If one or more such analysts ceased coverage of our company or failed 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 2020 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 consists 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 seven years preceding December 31, 2020, 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. While we have complied with the reporting requirements to permit U.S. Holders to elect to treat us as a QEF in the past, we reserve the right to discontinue such reporting in the future for any reason at any time. 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. 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 United States. 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, auditor, disclosure, compliance and enforcement standards. Certain provisions apply to our board of directors (e.g., in relation to role, composition, conflicts of interest 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 within 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 joint taxation schemes.***

During the period January 19, 2013 to December 31, 2015, we were subject to a Danish joint taxation scheme with Tech Growth Invest ApS and entities under Tech Growth Invest ApS's control, collectively referred to hereafter as Tech Growth. From the establishment of FA on December 3, 2015, FA was part of the joint taxation scheme with Tech Growth. 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 and FA were part of the joint taxation group with Tech Growth. On January 1, 2016, the Company and FA became members of a new Danish joint taxation group with NB FP Investment General Partner ApS (collectively the "2016 Tax Group"). Upon their inception during 2017, Operations and FWP IP (through the date of the sale of FWP IP (November 22, 2017) to HoldCo, which is owned and controlled by the Foundation) became members of the 2016 Tax Group. 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 period January 19, 2013 to December 31, 2015 and the Company is liable with other entities in the 2016 Tax Group for Danish tax liabilities that can be allocated to the five-year period ended December 31, 2020.

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 any of the joint taxation groups has any material Danish tax liabilities that are not satisfied by them or if they, while being members of the respective 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 Vice President, Finance and Controller, Thomas Carbone, is employed by FP USA. Pursuant to the U.S. tax laws and the income tax treaty between Denmark and the United States, 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 United States 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 three of its subsidiaries, Operations, FP GmbH and FA, are incorporated under the laws of Denmark, Germany and Denmark, respectively. Substantially all of our assets are located outside the United States. On a combined basis, the majority of our directors and officers reside outside the United States. As a result, it may not be possible for investors to effect service of process within the United States 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 United States.

The United States 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 United States. A judgment by a federal or state court in the United States 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 recognize and declare such judgment enforceable. Also, general reciprocity in respect of the mutual recognition of judgments between Germany and the U.S. court that rendered the concerned judgment must be guaranteed, and the judgment must not violate German (international) public policy.

**ITEM 4. INFORMATION ON THE COMPANY**

**A. History and Development of the Company**

Forward Pharma A/S is a Danish biopharmaceutical company whose operations previously consisted of developing FP187®, a proprietary formulation of DMF, for the treatment of MS and other inflammatory and neurological indications. DMF is an immunomodulator that can be used as a therapeutic to improve the health of patients with MS and immune disorders.

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 provided Biogen with a co-exclusive license in the United States and an exclusive license outside the United States, to the Company's intellectual property.

Under the terms of the License Agreement, we effected a corporate restructuring in 2017. For more, see "—B. Business Overview—Our Company—Restructuring."

On March 25, 2019, we received notice from Biogen of their exercise of the option to purchase the intellectual property in the United States associated with the Company pursuant to the License Agreement. The Foundation and Biogen consummated the assignment of the U.S. intellectual property to Biogen upon the execution of assignment agreements and the payment of a nominal amount by Biogen to FWP IP, and Biogen has assumed ownership and responsibility for the assigned U.S. intellectual property. In addition, we are no longer able to develop or commercialize any therapy for the treatment of any human disease or condition using DMF, including FP187®. For more, see "—B. Business Overview—Our Company—License Agreement with Biogen." As discussed throughout this Annual Report, we have permanently discontinued our development of DMF formulations, including FP187®.

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. We are currently composed of Forward Pharma A/S, its two wholly-owned subsidiaries, FP USA, incorporated in the state of Delaware, and Operations, incorporated in Denmark, and two wholly-owned subsidiaries of Operations, FP GmbH, incorporated in Germany, and FA, incorporated in Denmark.

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 Agreements](#)."

We have not made any significant capital expenditures or divestitures 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 assembled a significant intellectual property portfolio. As a result of entering into the License Agreement, combined with the unsuccessful outcome in the Interference Proceeding and Biogen's purchase of the intellectual property in the United States associated with the Company, we have permanently discontinued our development of a DMF formulation, except for maintaining our files and records for previously completed research and development work. We completed an organizational realignment in 2017 to focus on the deliverables under the License Agreement and reduce operating expenses.

#### ***License Agreement with Biogen***

On February 1, 2017, our License Agreement with Biogen and certain additional parties became effective. The License Agreement provided 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.

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 did not resolve the Interference Proceeding or the Opposition Proceeding. The Company and Biogen entered into the License Agreement with the intention to permit the PTAB and the Federal Circuit, as applicable, and the EPO, the TBA and the Enlarged Board of Appeal, as applicable, to make final determinations in the proceedings before them.

Because the Company was unsuccessful in the Interference Proceeding after all appeals, pursuant to the License Agreement, Biogen had the option to elect to obtain an exclusive license to the intellectual property in the United States associated with the Company or to purchase the intellectual property in the United States associated with the Company for a nominal price.

On March 25, 2019, we received notice from Biogen of their exercise of the option to purchase the intellectual property in the United States associated with the Company pursuant to the License Agreement. The Foundation and Biogen consummated the assignment of the U.S. intellectual property to Biogen upon the execution of assignment agreements and the payment of a nominal amount by Biogen to FWP IP, and Biogen has assumed ownership and responsibility for the assigned U.S.

intellectual property. In addition, we are no longer able to develop or commercialize any therapy for the treatment of any human disease or condition using DMF, including FP187®. Because we were unsuccessful in the Interference Proceeding after all appeals, the Company will not be entitled to future royalties on Biogen's net sales in the United States. Therefore, sources of revenue derived from customers in the United States, including product sales of any DMF formulation, are not expected.

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 will be eligible to collect a 10% royalty from January 1, 2021 to December 31, 2028 and a 20% royalty 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 within the time period set forth in the License Agreement. 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 in a particular country having a particular impact as defined in the License Agreement. Given the expected timeline for the resolution of the Opposition Proceeding, including any appeals, the earliest time we may expect to receive any royalty income from the License Agreement, if at all, is 2024. 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. See the risk factor entitled "There can be no assurance that we will prevail in the opposition proceeding involving our EP2801355 patent after any appeals or, if we do prevail, that the resulting claims of our EP2801355 patent will be royalty bearing under the Settlement and License Agreement with Biogen." for additional information.

### ***Restructuring***

Under the terms of the License Agreement, the Company restructured its operations on June 30, 2017 whereby the Company transferred to Operations (a wholly-owned Danish limited liability company of the Company created in 2017) certain assets and liabilities, including the legal and beneficial rights, title and interest to defined intellectual property, and Operations transferred the intellectual property to FWP IP (a wholly-owned Danish limited liability company of Operations created in 2017). The final step in the restructuring was completed on November 22, 2017 when the capital stock of FWP IP was sold to HoldCo, a Danish limited liability company that is owned and controlled by the Foundation, an independent Danish foundation. HoldCo paid Operations ApS 336,000 DKK (\$54,000 based on the December 31, 2017 exchange rate) as consideration for the capital stock of FWP IP. The Foundation's three-member board includes one independent director and one director appointed from each of the Company and Biogen. Accordingly, the Company does not control the Foundation. During the year ended December 31, 2017, the Company contributed 5 million DKK (\$805,000 based on the December 31, 2017 exchange rate) as the initial capitalization of the Foundation and is obligated to pay 100,000 DKK (\$17,000 based on the December 31, 2020 exchange rate) annually to FWP IP in exchange for FWP IP agreeing to hold, prosecute and maintain the transferred intellectual property, which now consists only of the non-U.S. intellectual property associated with the Company, in accordance with certain agreements. In the future, the Company is only obligated to remit the annual funding of 100,000 DKK to FWP IP through the last to expire, or invalidation of, the licensed patents underlying the transferred intellectual property; however, the Company's obligation to remit the annual funding would be discontinued earlier if certain events, as defined in the License Agreement, occur. In addition to its annual funding obligations, the License Agreement requires the Company to fund the cost to file, prosecute and maintain European patent EP 2801355 (until the date on which the Opposition Proceeding has reached a final, unappealable conclusion) and to participate in an intellectual property advisory committee. The Company was required to fund the cost to file, prosecute

and maintain the U.S. patents associated with the Company prior to Biogen purchasing such intellectual property.

### ***Key Intellectual Property Involved in Opposition Proceeding***

European patent EP2801355, or the 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 was opposed by several parties in an opposition proceeding, which is a special proceeding heard by the EPO where one or more third parties request that the patent, or a part thereof, be revoked. On January 29, 2018, the EPO revoked the EP'355 patent on one of the alleged grounds of invalidity following the oral hearing in the Opposition Proceeding. On March 22, 2018, the Opposition Division issued its written decision with detailed reasons for the decision. On May 7, 2018, the Company submitted its notice of appeal, and on August 1, 2018, the Company submitted detailed grounds for the appeal. On July 8, 2019, the Company received notice from the EPO that the appeal would be heard by the TBA of the EPO on June 18, 2020, or the 2020 Hearing. The 2020 Hearing has subsequently been postponed twice as the result of the ongoing COVID-19 pandemic. The 2020 Hearing was initially rescheduled to be heard on February 2, 2021 and on January 12, 2021, the EPO informed the Company that the appeal hearing would be postponed a second time to September 6, 2021, or the 2021 Hearing. The 2021 Hearing may be further delayed as a result of the COVID-19 pandemic. Management expects the TBA to issue a ruling on the same day as the hearing with a fully-argued decision to follow approximately two months after the 2021 Hearing. If the Company receives a favorable ruling following the 2020 Hearing, it is expected that the TBA will remit the case to the Opposition Division, in order for the Opposition Division to resolve the remaining elements of the original opposition. Management estimates that the Opposition Division would take approximately two to three years to resolve the remaining elements of the original opposition in the event of a remittal. However, delays can occur that would extend the time needed for the Opposition Division to reach a conclusion on the remaining elements of the original opposition and thereby the conclusion of the ongoing appeal process. We are not entitled to any royalty payments from the License Agreement until and unless all remaining elements of the original opposition are resolved in our favor. As such, the earliest time we may expect to receive any revenues from the License Agreement, if at all, is 2024.

There can be no assurance that we will be successful in the Opposition Proceeding after any appeals. 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. While the appeal and any remitted issues to the Opposition Division have not been resolved, the decision of the Opposition Division to revoke the EP'355 patent is "frozen." Assuming that the patent is ultimately maintained following the final conclusion of the Opposition Proceeding, including any appeals, the EP'355 patent currently has a maximum duration until October 2025 (subject to possible SPC extension—see below).

### ***Our Product Development Strategy***

Historically, the Company's product development efforts were focused on advancing unique formulations and dosing regimens of DMF, an immunomodulator, as a therapeutic to improve the health of patients with immune disorders, including psoriasis and MS. Prior to entering into the License Agreement, we were actively developing FP187®, a proprietary formulation of DMF, for the treatment of MS patients. On March 1, 2017, we announced plans to complete the research and development work that was in process prior to the effective date of the License Agreement and pursue an organizational realignment to reduce personnel and operating expenses, including the suspension of further development of FP187®. This organizational realignment was substantially completed by September 30, 2017. We do not currently have any commercialized products on the market nor under development. As a result of entering into the License Agreement, combined with the unsuccessful



outcome in the Interference Proceeding and Biogen's purchase of the intellectual property in the United States associated with the Company, our research and development efforts involving DMF products, including FP187®, have been permanently discontinued.

### ***Our Intellectual Property Strategy***

We believe the patents and patent applications associated with the Company are valuable assets. To the extent required or permitted by the License Agreement, we intend to protect, defend and/or enforce the intellectual property associated with the Company. The intellectual property associated with the Company includes patents and patent applications in Europe and certain countries in Asia.

The 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. As described under "Risk Factors" and elsewhere in this Annual Report, whether the Core Composition Patent family discloses the use of a dose of 480 mg of DMF per day to treat MS has been challenged in some European Opposition Proceedings.

The following table highlights key aspects of the current status of certain applications and patents within the Core Composition Patent family:

<u>Patent / Application</u>	<u>Status</u>
EP2801355	Revoked on January 29, 2018 by the EPO Opposition Division. The Company has appealed this decision (see below). Contains claims directed to the treatment of MS with 480 mg per day of DMF using pH-controlled compositions that have an enteric coating.
EP1799196	Revoked on September 18, 2018 by the EPO Opposition Division. Currently on appeal to the TBA.
EP2965751	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 issued notices of intention to grant this patent on June 26, 2018, April 9, 2019, and June 8, 2020. A request for further processing was granted on January 27, 2021.
EP2801354	Revoked on May 7, 2019 by the EPO Opposition Division (contains claims directed to controlled-release compositions that release DMF according to a specific <i>in vitro</i> release profile). Currently on appeal to the TBA.
EP2792349	Pending (contains claims directed to controlled-release compositions containing DMF wherein the daily dosage is 480 mg for use in treatment of a number of diseases). The EPO has issued notices of intention to grant this patent on September 13, 2017, May 30, 2018, February 27, 2019, November 29, 2019, and October 12, 2020.
EP2316430	Revoked by TBA on May 3, 2018.
EP3093012	Pending (contains claims directed to pharmaceutical compositions comprising DMF in an amount of 50 to 90% by weight of the composition). The EPO has issued notices of intention to grant this patent on May 8, 2017, February 15, 2018, November 21, 2018, August 12, 2019, April 23, 2020, and March 11, 2021.
JP2018-017332	Pending (contains claims directed to controlled-release pharmaceutical compositions comprising one or more of fumaric acid esters such as DMF and/or MMF).

## Core Composition Patent Family

*European Patent EP2801355.* The 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 its review of this application and issued this patent on May 20, 2015. This patent was opposed by several parties in opposition proceedings, which are special proceedings heard by the EPO where one or more third parties request that the patent, or a part thereof, be revoked. On January 29, 2018, the Opposition Division of the EPO revoked the EP'355 patent on one of the alleged grounds of invalidity following the oral hearing in the Opposition Proceeding. On March 22, 2018, the Opposition Division issued its written decision with detailed reasons for the decision, on May 7, 2018, the Company submitted its notice of appeal, and on August 1, 2018, the Company submitted the detailed grounds for the appeal. On July 8, 2019, the Company received notice from the EPO that the 2020 Hearing would occur on June 18, 2020. The 2020 Hearing has subsequently been postponed twice as the result of the ongoing COVID-19 pandemic. The 2020 Hearing was initially rescheduled to be heard on February 2, 2021 and on January 12, 2021, the EPO informed the Company that the appeal hearing would be postponed a second time to September 6, 2021, or the 2021 Hearing. The 2021 Hearing may be further delayed as a result of the COVID-19 pandemic. Management expects the TBA to issue a ruling on the same day as the hearing with a fully-argued decision to follow approximately two months after the 2021 Hearing. If the Company receives a favorable ruling following the 2021 Hearing, it is expected that the TBA will remit the case to the Opposition Division, in order for the Opposition Division to resolve the remaining elements of the original opposition. Management estimates that the Opposition Division would take approximately two to three years to resolve the remaining elements of the original opposition in the event of a remittal. However, delays can occur that would extend the time needed for the Opposition Division to reach a conclusion on the remaining elements of the original opposition. We are not entitled to any royalty payments from our Settlement and License Agreement, dated as of January 17, 2017, or the License Agreement, with two subsidiaries of Biogen that became effective on February 1, 2017, until and unless all remaining elements of the original opposition are resolved in our favor. As such, the earliest time we may expect to receive any revenues from the License Agreement, if at all, is 2024. There can be no assurance that we will be successful in the Opposition Proceeding after any appeals. 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. While the appeal and any remitted issues to the Opposition Division have not been resolved, the decision of the Opposition Division to revoke the EP'355 patent is "frozen." Assuming that the patent is ultimately maintained following the final conclusion of the Opposition Proceeding, including any appeals, the EP'355 patent currently has a maximum duration until October 2025 (subject to possible SPC extension—see below). This is the first issued patent associated with the Company covering the use of 480 mg per day of DMF to treat MS. 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 and appeal proceedings. See "Risk Factors—Risks Related to Intellectual Property—There can be no assurance that even if we are successful in the opposition and appeal proceedings involving the patents associated with the Company currently pending before the EPO, we will not be subject to subsequent or parallel invalidity proceedings involving these same or other patents associated with the Company before a national court in any of the European Patent Convention member states where the patents were validated, which subsequent or parallel proceedings could result in the 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, the 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, the SPC applications have been granted in Austria, Cyprus, France, Greece, Hungary, Ireland, Italy, Latvia, 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.* The European patent EP1799196 associated with the Company, 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. On September 18, 2018, the EPO revoked the EP'196 Patent following an oral hearing in the opposition proceedings. The written decision was received on February 15, 2019 and a notice of appeal was filed against that decision on April 13, 2019. The Company expects the appeal to be heard by the TBA within one to two years.

*European Patent Application EP2965751.* Another key patent application in the EU is EP2965751, formerly EP15166243.4, or the EP'751 application. The EP'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 understood to have been the result of a clerical error. We responded on August 10, 2017 to correct the error. The EPO issued a notice of intention to grant this patent on June 26, 2018, April 9, 2019, and June 8, 2020. A request for further processing was granted on January 27, 2021.

*European Patent EP2801354.* A key patent in the EU is EP2801354, or the EP'354 patent. The EP'354 patent covers, among other things, controlled-release compositions that release DMF according to a specific *in vitro* release profile. The patent was granted on February 8, 2017. Oppositions to this patent have been filed by third parties with the EPO. On May 7, 2019, the EPO revoked the EP'354 patent following an oral hearing in the Opposition Proceedings. The written decision was received on September 9, 2019 and a notice of appeal was filed against that decision on November 8, 2019. The Company expects the appeal to be heard by the TBA within one to two years.

*European Patent Application EP2792349.* Another key patent application in the EU is EP2792349, formerly EP14172396.5, or the EP'349 application. The EP'349 application covers, among other things, controlled-release compositions containing DMF where the daily dosage is 480mg for use in treatment of a number of diseases. The EPO has issued notices of intention to grant this patent on September 13, 2017, May 30, 2018, February 27, 2019, November 19, 2019, and October 12, 2020.

*European Patent EP2316430.* The European patent EP2316430 associated with the Company covered DMF formulations with certain *in vitro* dissolution profiles. By a decision issued in July 2015, the Opposition Division of the EPO 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 EPO did not adjudicate on the issues of novelty or inventive step. This patent was revoked by the TBA on May 3, 2018. No further appeal is possible.

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

of the composition. The EPO has issued notices of intention to grant this patent on May 8, 2017, February 15, 2018, November 21, 2018, August 12, 2019, April 23, 2020, and March 11, 2021.

## **Clinical Development Summary**

Since inception, the focus of our clinical development was on a DMF formulation for the treatment of MS. As a result of entering into the License Agreement, combined with the unsuccessful outcome in the Interference Proceeding and Biogen's purchase of the intellectual property in the United States associated with the Company, we have permanently discontinued our development of a DMF formulation, except for maintaining our files and records for previously completed research and development work.

## **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 provided 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.

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—License Agreement with Biogen](#)."

On March 25, 2019, we received notice from Biogen of their exercise of the option to purchase the intellectual property in the United States associated with the Company pursuant to the License Agreement. The Foundation and Biogen consummated the assignment of the U.S. intellectual property to Biogen upon the execution of assignment agreements and the payment of a nominal amount by Biogen to FWP IP, and Biogen has assumed ownership and responsibility for the assigned U.S. intellectual property. In addition, we are no longer able to develop or commercialize any therapy for the treatment of any human disease or condition using DMF, including FP187@.

### ***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, or the 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.

In connection with our execution of the License Agreement, we entered into an addendum to the Transfer Agreement with Aditech, or the Addendum, which 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 is entitled to 2% of the Non-refundable Fee (or \$25.0 million). This was paid to Aditech in 2017. The Addendum further specifies that Aditech is entitled to additional compensation should the Company receive royalties from Biogen under the License Agreement. If royalties are paid to the Company in accordance with the License Agreement, 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).

## **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 MS. Our future success may 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) may reduce Tecfidera® sales, which in turn may reduce possible royalties payable by Biogen to us. Several companies are developing additional treatments for multiple sclerosis, and late-stage clinical candidates include, but are not limited to, generic versions of existing medications, including generic versions of Tecfidera®. 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.

## **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 2020, we paid 633,000 DKK (\$97,000 based on the average exchange rate for the year), including value added tax, or VAT, for such premises. FA and Operations, our Danish subsidiaries, are also located at Østergade 24A, 1st floor, 1100 Copenhagen K, Denmark. For more information, see "—Related Party Transactions—Leased Premises."

FP USA, our U.S. subsidiary, is located in Suffern, New York and has office space of approximately 140 square feet. In 2020, we paid \$15,000 for such premises.

The Company's office lease commitments are currently all short-term.

**Employees**

As of March 31, 2021, we had four employees. At each date shown, we had the following employees, broken out by department and geography:

	At December 31,			At March 31,
	2018	2019	2020	2021
<b>Function:</b>				
Engineering and production	1	0	0	0
Management and administration	4	5	4	4
Total	<u>5</u>	<u>5</u>	<u>4</u>	<u>4</u>
<b>Geography:</b>				
Germany	1	1	1	1
Denmark	3	3	2	2
United States	1	1	1	1
Total	<u>5</u>	<u>5</u>	<u>4</u>	<u>4</u>

One of our employees is represented by a labor union. We have never experienced any work stoppages.

All other operational tasks are or have been outsourced to consultant experts or consulting service companies, such as patent and legal experts. We engage approximately 15 individuals and firms as consultants and experts.

In the United States, our activities and personnel are focused on U.S. public company accounting, reporting and compliance, 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 previous research and pre-clinical and clinical development.

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. Except for the Opposition Proceeding, we are not currently a party to, and have not been in the recent past subject to any material legal proceeding (including proceedings pending or threatened) that we believe could have an adverse effect on our business, operating results or financial condition. See "Item 5. Operating and Financial Review and Prospects—Operating Results Overview—Intellectual Property Proceedings and the License Agreement—Interference Proceeding" for more information on the Interference Proceeding.

Opposition proceedings and appeals therefrom against two of the key European patents associated with the Company are currently ongoing and in addition we are involved in the Opposition Proceeding concerning EP'355, including any appeals. There can be no assurance that these patent proceedings or other future legal proceedings will not have an adverse effect on our business, operating results or financial condition. See "Item 5. Operating and Financial Review and Prospects—Operating Results Overview—Intellectual Property Proceedings and the License Agreement—Opposition Proceeding" for more information on the Opposition Proceeding.

**C. Organizational Structure**

The registrant corporation, Forward Pharma A/S, has two wholly-owned subsidiaries, FP USA, incorporated in the state of Delaware, and Operations, incorporated in Denmark. Operations has two wholly-owned subsidiaries, FA, incorporated in Denmark, and FP GmbH, incorporated in Germany. A liquidation of our German subsidiary, FP GmbH, was initiated on January 29, 2020 and is still ongoing. All of our operations are conducted within Forward Pharma A/S or one of our directly or indirectly owned subsidiaries.

**D. Property, Plant and Equipment**

See "—Business Overview—Facilities" for a description of our leased premises. We have no material office equipment or manufacturing equipment. 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 fixed assets nor are there plans to acquire fixed assets in the future; however, we may, from time to time, need to replace office equipment such as computers. The estimated cost to replace office equipment, if needed, is not expected to be significant. We currently do not have any long-term supply agreements with our vendors.

**ITEM 4A. UNRESOLVED STAFF COMMENTS**

None.

## 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.*

*Refer to Part I, Item 5 in our Annual Report on Form 20-F for the fiscal year ended December 31, 2019 (filed with the SEC on April 24, 2020) for additional discussion of our financial condition and results of operations for the year ended December 31, 2018, as well as our financial condition and results of operations for the year ended December 31, 2019 compared to the year ended December 31, 2018.*

#### 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 service providers. We are currently composed of a Danish incorporated parent company, Forward Pharma A/S, its two wholly-owned subsidiaries, FP USA, incorporated in the state of Delaware, and Operations, incorporated in Denmark, and two wholly-owned subsidiaries of Operations, FP GmbH, incorporated in Germany, and FA, incorporated in Denmark. During 2017, as part of the restructuring that is discussed below, FWP IP was established on June 30, 2017 as a wholly-owned subsidiary of Operations and sold on November 22, 2017.

As discussed in more detail elsewhere herein, the Company entered into the License Agreement with Biogen that became effective on February 1, 2017. The License Agreement provided Biogen with a co-exclusive license in the United States, and an exclusive license outside the United States, to defined intellectual property. In accordance with the License Agreement, Biogen paid the Company a non-refundable fee of \$1.25 billion, or the Non-refundable Fee, in February 2017. Prior to entering into the License Agreement, the Company was actively developing FP187®, a proprietary formulation of DMF, for the treatment of MS. On March 1, 2017, the Company announced plans to complete the remaining research and development efforts of FP187® and pursue an organizational realignment to reduce personnel and operating expenses by mid-year 2017. The organizational realignment was substantially completed by September 30, 2017. As a result of entering into the License Agreement, combined with the unsuccessful outcome in the Interference Proceeding and Biogen's purchase of the intellectual property in the United States associated with the Company, or the U.S. IP, we have permanently discontinued our development of DMF formulations, including FP187®. Therefore, sources of revenue derived from customers in the United States, including product sales of a DMF formulation, are not expected.

The Group's current business activities are limited to maximizing the benefit of the License Agreement, which requires the Company to prevail in the Opposition Proceeding. If the Company does not prevail in the Opposition Proceeding, including all appeals, future revenues are unlikely, the



Company's ability to continue as a going concern long term would be uncertain and management would consider, amongst other things, an orderly wind-down of operations. A successful outcome of the Opposition Proceeding is highly uncertain and even if there is a successful outcome in the Opposition Proceeding, future revenues from the License Agreement would only be realized if other conditions defined by the License Agreement are met. For more information, see "Item 3. D. Risk Factors," "Item 4. Information on the Company" and the Group's consolidated financial statements.

At December 31, 2020, the Group had cash and cash equivalents and working capital amounting to \$79.1 million and \$78.6 million, respectively. The Group has no material long-term obligations. Management currently believes there is adequate liquidity to fund the Group's operations beyond the next twelve months; however, unforeseen events could negatively affect management's estimate. In addition, as discussed in more detail below, the Danish and German tax authorities have commenced tax audits of the Group's Danish and German tax returns covering multiple years through the year ended December 31, 2017. There is a risk that at the conclusion of the tax audits, the Danish and/or German tax authorities could assess additional taxes, interest and/or penalties on the Group. The imposition of additional taxes, interest and/or penalties by the taxing authorities could have a material adverse effect on the Group. For more information, see the risk factor entitled "There is no assurance that the joint tax audit being conducted by the Danish and German tax authorities will not result in double taxation" and the Group's consolidated financial statements.

### **Restructuring**

In June 2017, under the terms of the License Agreement, the Company restructured its operations, or the Restructuring, whereby the Company transferred to Operations (a wholly owned Danish limited liability company of the Company created in 2017) certain assets and liabilities, including the legal and beneficial rights, title and interest to defined intellectual property, or the IP, and Operations transferred the IP to FWP IP (a wholly owned Danish limited liability company of Operations created in 2017). The final step in the Restructuring was completed on November 22, 2017 when the capital stock of FWP IP was sold to a Danish limited liability company (FWP HoldCo ApS, referred to as "HoldCo") owned and controlled by an independent Danish foundation (FWP Fonden, referred to as the "Foundation"). In consideration for the capital stock of FWP IP, HoldCo paid Operations 336,000 DKK (\$54,000 based on the December 31, 2017 exchange rate). The Foundation's three-member board includes one independent director and one director appointed by each of the Company and Biogen. Accordingly, the Company does not control, nor does it have exposure or rights to variable returns from the Foundation, HoldCo or FWP IP. In November 2017, the Group contributed 5 million DKK (\$805,000 based on the December 31, 2017 exchange rate) as the initial capitalization of the Foundation and is obligated to pay 100,000 DKK (\$17,000 based on the December 31, 2020 exchange rate) annually, or the Annual Funding, to FWP IP in exchange for FWP IP agreeing to hold, prosecute and maintain the IP in accordance with certain agreements. The Group is only obligated to remit the Annual Funding through the last to expire, or invalidation of, the licensed patents underlying the IP; however, the Company's obligation to remit the Annual Funding would be discontinued earlier if certain events, as defined in the License Agreement, occur.

### **Shareholder Distribution**

On August 2, 2017, the Company's shareholders approved a capital reduction of EUR 917.7 million, or \$1.1 billion, which was effected in September 2017.

Currently, there are no plans for future distributions of funds to our shareholders.

## **Trend Information**

We do not have any commercialized products on the market. As a result of entering into the License Agreement, combined with the unsuccessful outcome in the Interference Proceeding and Biogen's purchase of the U.S. IP, we have permanently discontinued our development of DMF formulations, including FP187®. At this time, the Company's only potential source of future revenue is contingent on a favorable outcome of the Opposition Proceeding. A successful outcome in the Opposition Proceeding is highly uncertain, but if it were to occur, and provided other conditions set forth in the License Agreement are met, the Company would be entitled to royalties based on Biogen's net sales of Tecfidera® outside the United States, as defined by the License Agreement. Accordingly, should we be entitled to royalties based on Biogen's net sales of Tecfidera® outside the United States, we expect trends in the biopharmaceutical market to have an impact on our business, particularly, trends that effect the market for, or price of, Tecfidera® sales outside the United States.

## **Financial Operations Overview**

### **Revenue**

The Company's only operating revenue earned to date has been the Non-refundable Fee received in 2017 in accordance with the License Agreement. We will likely not generate operating revenue in the future unless we prevail in the Opposition Proceeding. The Company's ability to generate operating revenues in the future is highly uncertain and it is possible that we may never recognize operating revenue in the future.

Management concluded that the Non-refundable Fee should be recognized as revenue in full in 2017. In reaching this conclusion, various judgments were made, including the identification of the Company's performance obligations within the License Agreement and whether these performance obligations are distinct. Management concluded that the performance obligations in the License Agreement were related to the right granted to Biogen to use the licensed intellectual property both in the United States as well as in the rest of the world and concluded that these performance obligations were met at the time the License Agreement was consummated, as Biogen was granted full use of the licensed intellectual property whether under a co-exclusive license or an exclusive license. At the time the License Agreement became effective, the Company was required to (i) to fund the cost to file, prosecute and maintain the United States patents and European patent EP 2801355 associated with the Company, (ii) to participate in an intellectual property advisory committee and (iii) to provide the Annual Funding of 100,000 DKK (collectively referred to as "Defense Costs"). The period the Company is obligated to fund the Defense Costs is defined in the License Agreement and could include the period from the effective date of the License Agreement through the last to expire, or invalidation of, the licensed patents; however, the Company's obligation to fund Defense Costs would be discontinued earlier if certain events, as defined in the License Agreement, occur. Management concluded that the Company's obligation to defend the intellectual property does not represent a separate performance obligation as such activities are deemed to be costs to protect the value of the license granted to Biogen. Since Biogen received full unrestricted use of the Company's intellectual property at the time the License Agreement was consummated and since the Company currently has no plans to nor is it obligated to further develop the underlying licensed intellectual property, the License Agreement is deemed to provide Biogen with a right to use the Company's intellectual property upon the consummation of the License Agreement and accordingly, the Non-refundable Fee was recognized as revenue in 2017.

Effective upon Biogen purchasing the U.S. IP, the Company is no longer incurring Defense Costs associated with the U.S. IP.

The License Agreement does not obligate Biogen to remit additional amounts to the Company unless the Company prevails in the Opposition Proceeding, including any appeals, and certain other

conditions of the License Agreement are satisfied. It is highly uncertain whether the Company will prevail in the Opposition Proceeding and therefore it is possible that additional revenues may not be realized from the License Agreement or any other source. In the event the Company does prevail in the Opposition Proceeding, Biogen would be obligated to remit future royalties to the Company as defined in the License Agreement, provided that other conditions of the License Agreement are satisfied. If the Company fails to prevail in the Opposition Proceeding, future revenues are unlikely and the long-term ability of the Company to continue as a going concern is uncertain. See Notes 1.2 and 1.5 in the accompanying consolidated financial statements for additional information.

### **Research and development costs**

As a result of entering into the License Agreement, combined with the unsuccessful outcome in the Interference Proceeding and Biogen's purchase of the U.S. IP, we permanently discontinued our research and development efforts involving DMF products, including FP187®.

Currently, our 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 at the patent registry offices (the EPO and certain country-specific patent registry offices). Accordingly, our research and development costs are primarily associated with defending and protecting our non-U.S. IP; however, we may incur minor costs to meet remaining regulatory requirements associated with the wind-down of our research and development efforts of FP187®.

### **General and administrative costs**

Our general and administrative costs consist primarily of:

- salaries and expenses for employees as well as expenses related to share-based compensation awards granted to certain employees;
- professional fees for auditors, tax advisors, legal counsel and other consultants;
- information technology related expenses;
- cost of facilities, communication and office expenses;
- investor relations and other costs associated with our public listing of our ADSs on Nasdaq; 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).

We incur significant costs as the result of our public listing including the cost to maintain and enhance our infrastructure in order to comply with regulatory requirements including disclosure controls and procedures. Such costs include maintaining an organization of internal and external professionals who have the necessary experience and skills to address the complex rules and regulations we are required to comply with. The professionals we engage include legal and accounting advisors, auditors and investor relations firms amongst others. There are many other costs we incur to maintain our public listing such as liability insurance and depository and stock exchange fees.

### **Non-operating income and (expenses)**

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

- gains/losses from changes in foreign exchange rates related primarily to our cash holdings;
- interest income earned on USD cash holdings; and

- bank fees, including negative interest on Euro and DKK cash holdings.

## Results of Operations

### Comparison of the years ended December 31, 2020 and 2019

	Year ended December 31,		
	2020	2019	Change favorable (unfavorable)
	(USD in thousands)		
Research and development costs	(327)	(1,049)	722
General and administrative costs	(3,059)	(4,234)	1,175
Operating (loss)	(3,386)	(5,283)	1,897
Exchange rate (loss) gain, net	(2,970)	759	(3,729)
Other finance (expense) income, net	(93)	303	(396)
(Loss) before tax	(6,449)	(4,221)	(2,228)
Income tax	—	—	—
Net (loss)	(6,449)	(4,221)	(2,228)

### Research and development costs for the years ended December 31, 2020 and 2019

Research and development costs for the years ended December 31, 2020 and 2019 were \$327,000 and \$1.0 million, respectively. The decrease in research and development costs for the year ended December 31, 2020 of \$722,000 is primarily the result of lower costs incurred in connection with the Opposition Proceedings and lower share-based compensation. Fees to patent advisors and other patent-related costs incurred in connection with the Opposition Proceeding decreased from \$322,000 in the year ended December 31, 2019 to \$203,000 in the year ended December 31, 2020. The decrease is the result of reduced activities leading up to the Opposition Proceeding hearing that is now scheduled for September 6, 2021 after two postponements caused by the ongoing COVID-19 pandemic. Share-based compensation decreased from \$625,000 in the year ended December 31, 2019 to \$63,000 in the year ended December 31, 2020. The decrease in share-based compensation resulted from equity awards that were issued prior to December 31, 2017 that included graded vesting provisions resulting in expense recognition that decreases in the latter years of vesting combined with an increased number of equity awards where the underlying expense was fully recognized prior to the year ended December 31, 2020 as performance and/or service conditions were fulfilled prior to December 31, 2019. The balance of the decrease in research and development cost during the year ended December 31, 2020 is the result of completing the wind down of FP187® development activities in 2019 and not incurring costs in connection therewith in 2020.

We currently expect that our research and development costs will remain at current levels in the future; however, considering the high level of uncertainty associated with estimating the nature and timing of costs to be incurred to continue the Opposition Proceeding, including any appeals, it is possible that unforeseen events could occur that could have a material effect on our estimated expenditures. Prospectively, research and development activities will primarily relate to Patent Fees. We may experience significant fluctuations in our expenses, period-to-period, as the result of the varying nature of the services expected to be provided by our patent advisor in connection with the Opposition Proceeding.

**General and administrative costs for the years ended December 31, 2020 and 2019**

General and administrative costs for the years ended December 31, 2020 and 2019 were \$3.1 million and \$4.2 million, respectively. The decrease in general and administrative costs in the year ended December 31, 2020 of \$1.1 million resulted from a decrease in share-based compensation. Share-based compensation decreased from \$1.5 million in the year ended December 31, 2019 to \$271,000 in the year ended December 31, 2020. The decrease in share-based compensation resulted from equity awards that were issued prior to December 31, 2017 that included graded vesting provisions resulting in expense recognition that decreases in the latter years of vesting combined with an increased number of equity awards where the underlying expense was fully recognized prior to the year ended December 31, 2020 as performance and/or service conditions were fulfilled prior to December 31, 2019.

We currently expect that our general and administrative costs will remain at current levels; however, unforeseen events could occur that could have a material effect on our estimated expenditures.

**Non-operating (expense) income for the years ended December 31, 2020 and 2019**

During the year ended December 31, 2020, the Group recognized a foreign exchange loss of \$3.0 million. The \$3.0 million foreign exchange loss resulted primarily from the weakening of the USD compared to the DKK during the period that is reflected as a non-cash foreign exchange loss when the USD cash holdings were converted to the functional currency of the Company and Operations (the DKK) at December 31, 2020. During the year ended December 31, 2019, the Company recognized a foreign exchange gain of \$759,000. The \$759,000 foreign exchange gain resulted primarily from the favorable effect of the strengthening of the USD to the DKK during the period that is reflected as a non-cash foreign exchange gain when the USD cash holdings were converted to DKK at December 31, 2019.

Other finance (expense) income primarily includes bank fees, or negative interest, on EUR and DKK cash holdings net of interest income on USD cash holdings.

**Income tax for the years ended December 31, 2020 and 2019**

For the years ended December 31, 2020 and 2019, the Group incurred losses for tax purposes. The tax losses combined with the Group not meeting the requirements to recognize deferred tax assets, resulted in no income tax benefit being recognized.

Since there is significant uncertainty as to whether the Group will have taxable income in the future, deferred tax assets that are available at December 31, 2020 do not meet the criteria for financial statement recognition and accordingly have not been recognized in the accompanying consolidated financial statements.

There are ongoing tax audits being conducted by the Danish and German tax authorities of the Group's Danish and German tax returns. While management believes the tax filing positions taken were correct, there is always the risk that the tax authorities could disagree resulting in additional taxes, interest and penalty being assessed and the amount could be material. See below as well as Note 3.4 to the consolidated 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 consolidated 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 consolidated financial statements, as well as the revenues and expenses reported during each period. 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.

### ***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 the Group are recognized as compensation expense 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, directors and non-employee consultants 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 used to fair value equity awards included the expected period an equity award will be outstanding and the volatility of the Company's ADSs. 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.

### ***Income taxes***

Management uses subjective judgments, estimates, and assumptions to determine current and deferred tax provisions as well as current and deferred tax assets and liabilities. The judgments, estimates, and assumptions used by management can change over time as the result of new information becoming available or as facts and circumstance change. Any change will affect our reported assets, liabilities and operating results and the effect could be material. There are transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters could differ from the amounts initially estimated, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made, and the effect could be material.

When we recognize deferred tax assets, including the tax base of tax loss carryforwards, 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. This judgment is made periodically after considering current facts and circumstances, 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 consolidated financial statements of the Group. Taxable profits are not assured in the future; therefore, temporary differences that will be available to offset taxable profits after December 31, 2020 do not meet the criteria for financial statement recognition and therefore the related deferred tax assets have not been recognized.

### ***Tax uncertainties***

The Group's Danish, German and United States tax returns are subject to periodic audit by the local tax authorities and are subject to ongoing audits in Germany and Denmark. Such audits could result in the tax authorities disagreeing with the tax filing positions taken by the Group, which would expose the Group to additional taxes being assessed, including interest and penalties that could be material. The Group exercises significant judgment when determining tax filing positions. The tax rules and regulations are very complex and there can be no assurance that management's interpretation and application of these rules and regulations to determine tax filing positions will be accepted by the tax authorities. If the tax authorities reject a tax filing position taken by a Group company and the tax authorities ultimately prevail in disallowing the tax filing position, after a Group company exhausts all options to defend such tax filing position, it would likely have a material adverse effect on the Group's financial position and operating results.

There is a risk that the tax authorities could impose additional taxable income or disallow the deductibility of expenses on intercompany cross-border transactions resulting in higher tax obligations in one or more tax jurisdictions. Management's experience has been that the tax authorities can be aggressive in taking positions that would increase taxable income and/or disallow deductible expenses. If the tax authorities are successful in increasing taxable income and/or disallowing deductible expenses in one or more jurisdictions, it would result in the Group experiencing a higher effective tax rate that could be material. Management consulted with professional tax advisors when establishing intercompany cross-border tax filing positions for Group companies and believes that the intercompany cross-border tax filing positions taken are in accordance with tax regulations; however, there is always a risk that the tax authorities could disagree with the intercompany cross-border tax filing positions taken by the Group. If the tax authorities disagree with an intercompany cross-border tax filing position taken by the Group, and the tax authorities ultimately prevail in disallowing an intercompany cross-border tax filing position, after the Group exhausts all options to defend such tax filing position, it would result in additional taxes, interest and possibly penalty becoming due and such amount could be material. See also "Tax audits in Denmark and Germany" below.

### ***Tax audits in Denmark and Germany***

Currently, the Danish and German tax authorities are conducting a joint tax audit of the Group's Danish and German tax returns covering multiple years through the year ended December 31, 2017. Conducting a joint tax audit is expected to reduce the burden and cost to the Group of undergoing two audits that address similar transactions and to accelerate the resolution of disagreements.

To date, the joint tax audit has focused on the intercompany recognition of revenue and expenses to ensure that such transactions were conducted at arm's length. It is possible that the ongoing joint tax audit could result in the Danish and German tax authorities mutually agreeing to allocate a greater portion of the Group's total 2017 taxable income to FP GmbH (referred to as the "Reallocation of Taxable Income"). If such Reallocation of Taxable Income were to occur, it could trigger a net increase in the Group's total income tax expense caused by the higher statutory tax rate in Germany of 31.9% versus Denmark's statutory tax rate of 22.0%. Effectively, the Reallocation of Taxable Income would shift taxable income to Germany that would be taxed at 31.9% while reducing taxable income in Denmark that was taxed at 22.0%. FP GmbH has available tax loss carryforwards of 11.9 million EUR (\$14.6 million based on the December 31, 2020 exchange rate) that could be used to mitigate an increase in income tax expense resulting from a Reallocation of Taxable Income. Any Reallocation of

Taxable Income that is not covered by FP GmbH's tax loss carryforwards and not subject to minimum taxation rules in Germany would result in an increase in income tax expense at a rate of approximately 10 percentage points of such amount compared to what has been recognized in the financial statements at December 31, 2020.

The Danish and German tax authorities may currently be discussing a Reallocation of Taxable Income; however, Management has determined, based on consultations with the Group's tax advisors, that it is not probable (i.e., more likely than not) that the Group will be required to pay additional taxes to the German tax authorities upon the ultimate resolution of the joint tax audit. However, such determination is inherently subjective and, if it is incorrect, then the Group may be subject to significant additional tax levies. The ultimate resolution of the joint tax audit may require that the Group incur a material outflow of cash that would negatively affect the Group's financial position, results of operations and cash holdings. If the Danish and German tax authorities mutually agree to a Reallocation of Taxable Income, the Group's only option to mitigate the increase in income tax expense would be to seek relief through litigation in Germany. If litigation in Germany were pursued, it would be time-consuming and costly and there is no assurance that the outcome of such litigation would be successful.

If the Danish and German tax authorities do not mutually agree to a Reallocation of Taxable Income, the German tax authorities could unilaterally increase the taxable income of FP GmbH, which could lead to double taxation and an increase in the Group's total income tax expense. In such case, the Group's only option to mitigate the increase in income tax expense would be to seek relief through entering into a MAP comprising a government-to-government dispute resolution mechanism and/or commence litigation against the tax authorities. If relief is sought through a MAP, double taxation will be eliminated; however, there is no assurance that a MAP and/or litigation in Germany would eliminate a net increase in the Group's total income tax expense caused by a Reallocation of Taxable Income, which could be material and could result in a material outflow of cash that would negatively impact the Group's financial position, operating results, and cash holdings.

The cost to pursue litigation in Germany and/or a MAP individually, or in combination with any potential taxes, interest, and penalties due at the conclusion of the litigation and/or MAP, could have a material adverse effect on the Group's financial position, operating results and cash holdings.

The timing of the completion of the joint tax audit by the tax authorities is currently unknown.

For more, see "Risk Factors—Risks Related to Our Financial Position and Capital Needs" and Note 3.4 *Income tax*, in the accompanying consolidated financial statements for additional information.

#### **Recent Accounting Pronouncements**

For discussion regarding new and amendments to accounting standards and the expected impact on the Group's consolidated financial statements, see Note 2.3 *New and amendments to accounting standards*, to the accompanying consolidated financial statements.

#### **Critical Accounting Estimates**

For discussion regarding critical accounting estimates, see Note 2.2 *Significant accounting judgements, estimates and assumptions*, to the accompanying consolidated financial statements.



**B. Liquidity and Capital Resources****Comparison of the Years ended December 31, 2020 and 2019**

The table below summarizes our consolidated statement of cash flows for each of the years ended December 31, 2020 and 2019:

	Year ended December 31,	
	2020	2019
	(USD in thousands)	
Net cash flows (used in) operating activities	(5,713)	(2,231)
Net cash flows (used in) investing activities	(1)	—
Net cash flows (used in) financing activities	(283)	(799)
Net (decrease) in cash and cash equivalents	(5,997)	(3,030)
Net foreign exchange differences	7,486	(1,914)
Cash and cash equivalents beginning of year	77,598	82,542
Cash and cash equivalents end of year	<u>79,087</u>	<u>77,598</u>

Net cash flows used in operating activities for the years ended December 31, 2020 and 2019 totaled \$5.7 million and \$2.2 million, respectively. The cash flows used in operating activities for the year ended December 31, 2020 were due to the loss incurred for the year offset by non-cash share-based compensation of \$334,000 and changes in working capital. The cash flows used in operating activities for the year ended December 31, 2019 were due to the loss incurred for the year combined with changes in working capital and offset by non-cash share-based compensation of \$2.1 million.

The cash used in investing activities of \$1,000 for the year ended December 31, 2020 relates to an increase in rent security deposit associated with leased office space.

Cash flows used in financing activities for the year ended December 31, 2020 totaled \$283,000. Such use of cash was the result of cash outflows for the repurchase of equity awards of \$285,000, offset by the receipt of \$2,000 in connection with the exercise of equity awards. Cash flows used in financing activities for the year ended December 31, 2019 totaled \$799,000. Such use of cash resulted from the repurchase of equity awards.

***Funding Requirements and Capital Resources***

We believe that our cash and cash equivalents will enable us to fund our operating expenses beyond the next twelve months. We currently have no plans to acquire capital assets except for immaterial purchases of office equipment. We currently estimate that our use of cash for the year ending December 31, 2021 will range from \$4 million to \$6 million. 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. There is a high level of uncertainty in estimating the costs we will incur to continue the Opposition Proceeding and to defend and protect the intellectual property associated with the Company. There are other uncertainties that could negatively affect our estimated cash spend in 2021 including, but not limited to, a negative outcome of the tax audits in process in Denmark and Germany (see Note 3.4 to the accompanying consolidated financial statements for additional information), the level of support needed from professional tax advisors to defend tax filing positions and any costs incurred disputing a negative outcome of the tax audits, if any. Such costs could have a material adverse impact on our capital resources. Accordingly, our estimated use of cash for the year ending December 31, 2021 could change near-term and the change could be material. 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.

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

- the outcome of the Opposition Proceeding, including any appeals;
- our efforts to secure and protect the intellectual property associated with the Company with the objective of obtaining and maintaining royalty-bearing patents;
- the outcome and associated costs, fees, and expenses of the tax audits of our Danish and German tax returns; and
- the costs to maintain the infrastructure necessary for a publicly listed company.
- Except for the capital reduction in September 2017, the Company has never distributed funds to shareholders in any form, including dividends, and currently there are no plans to distribute funds to shareholders in the future.

#### ***Capital Expenditures***

Our capital expenditures in the past have not been significant and we currently do not have any significant capital expenditures planned for 2021 or thereafter.

#### **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 (a related party), 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 the 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, or the Aditech IP. In connection with the License Agreement, the Company and Aditech executed the Addendum to the Transfer Agreement. The Addendum clarified certain ambiguities with respect to the compensation due to 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 receives 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. If royalties are paid to the Company in accordance with the License Agreement, 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).

Under the terms of the License Agreement, and as discussed in more detail elsewhere herein, the Company restructured its operations on June 30, 2017. The restructuring provided for, among other things, the transfer of certain assets and liabilities to Operations, including the legal and beneficial rights, title and interest to certain intellectual property, for Operations to transfer such intellectual property to FWP IP and for Operations to sell FWP IP to FWP HoldCo. In connection therewith, a

number of agreements were executed between the Company, Biogen, Operations and FWP IP including the IPR Services, Administration, Funding and Novation Agreement, or IPR Agreement.

The IPR Agreement requires Operations to pay an annual fee to FWP IP of 100,000 DKK (\$17,000 based on the December 31, 2020 exchange rate) as consideration for FWP IP agreeing to hold, prosecute and maintain the transferred intellectual property. Operations is obligated to remit the annual fee through the last to expire, or invalidation of, the licensed patents underlying the transferred intellectual property; however, Operations' obligation to remit the annual fee would be discontinued early if certain events occur as defined in the License Agreement.

FP USA has an office lease that expires on September 30, 2021. The monthly rent due under the lease is \$1,191.

The Company entered into a lease with Nordic Biotech Advisors ApS for certain office space that houses the Company's corporate headquarters in Copenhagen, Denmark. The amount payable under the lease is variable based on a defined formula and the agreement can be cancelled by either party with six months' prior written notice. For the year ended December 31, 2020, we paid 633,000 DKK (\$97,000 based on the average exchange rate for the year), including VAT, for the use of such premises and we estimate that amounts due under the lease for 2021 will not be materially different.

## 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, 2020.

	Payments due by period				Total
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	
	(USD in thousands)				
Non-cancellable contractual obligations*	\$ 18	\$ 17	\$ 50	\$ 66	\$ 151
Operating lease obligations	\$ 53	\$ —	—	—	\$ 53
<b>Total</b>	<b>\$ 71</b>	<b>\$ 17</b>	<b>\$ 50</b>	<b>\$ 66</b>	<b>\$ 204</b>

(\*) Includes the annual fee of 100,000 DKK due to FWP IP assuming a conversion rate to U.S. Dollars of 6.0576 as quoted by the Danish National Bank for December 31, 2020. The annual fee has been estimated through the end of 2029; however, such obligation to fund could be terminated earlier or later as defined in the License Agreement.

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 6.2 in the accompanying consolidated financial statements for additional information.

The table above excludes 777,000 EUR (approximately \$954,000 based on the December 31, 2020 exchange rate) that is contingently payable, as defined in the underlying agreements, to the CEO and a consultant if there is a favorable outcome in the Opposition Proceeding and certain service requirements are met. We are unable to estimate when or if there will be a favorable outcome of the Opposition Proceeding. See Note 3.3 in the accompanying consolidated financial statements for additional information.

## G. Safe Harbor

Refer to the information set forth under the heading "Cautionary Note Regarding Forward-Looking Statements" on page 4.

**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, 1<sup>st</sup> floor, 1100 Copenhagen K, Denmark.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Florian Schönharting	52	Chairman
Claus Bo Svendsen	44	Chief Executive Officer
Thomas Carbone	63	Vice President, Finance and Controller, FP USA
Torsten Goesch	61	Director
Grant Hellier Lawrence	59	Director
Jakob Mosegaard Larsen	48	Director
Duncan Moore	62	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), Zealand Pharma A/S and Acadia Pharmaceuticals Inc. Mr. Schönharting has more than 25 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, NB FP Investment K/S and NB FP Investment II K/S. Mr. Schönharting has an M.Sc. (Econ) from Copenhagen Business School.

***Claus Bo Svendsen, Chief Executive Officer (Principal Executive Officer & Principal Financial Officer)***

Dr. Svendsen has served as our Chief Executive Officer since March 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 Ph.D. 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.

***Thomas Carbone, Vice President, Finance and Controller, FP USA (Principal Accounting Officer)***

Mr. Carbone has served as the Vice President, Finance and Controller of FP USA 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.

***Grant Hellier Lawrence, Director***

Mr. Lawrence has served on our board of directors since July 2015. Mr. Lawrence is currently Chief Financial Officer at AJ Vaccines A/S. He has more than 20 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 AJ Vaccines in January 2021, Mr. Lawrence was CEO at Nunc A/S, a Thermo Fisher Scientific company, for more than 15 years. Mr. Lawrence has also 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 Advokatpartnerselskab 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 chairman of the Legal Committee of Active Owners Denmark (previously the Danish Venture Capital and Private Equity Association) and serves as Active Owners Denmark's representative on Invest Europe's Legal and Regulatory Committee. He graduated from Copenhagen University with a Master's 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 Advokatpartnerselskab 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 Advokatpartnerselskab LLP, 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.

***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 BankInvest 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 a 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 and Allarity Therapeutics A/S (previously Oncology Venture A/S). In addition, he has a board position at Cycle Pharma and Braidlock Limited. He is also the Chairman of the Scottish Life Sciences Association and serves on the Board of Governors of Merchiston Castle School in Edinburgh and the International School in Shenzhen in the Peoples Republic of China.

**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 no more than seven members. The board of directors currently consists of five 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 two 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 NB FP Investment K/S will have the right to nominate four directors, Nordic Biotech K/S and Nordic Biotech Opportunity Fund K/S will jointly have the right to nominate one director, and NB FP Investment II K/S 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, 2021, we only have 4 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.

#### **Executive Officer**

Our Chief Executive Officer Dr. Claus Bo Svendsen is responsible for our day-to-day business and operations.

#### **Board Committees**

##### ***Audit Committee***

We have an audit committee, which consists 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 5605(c) 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 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, a copy of which is available on our website at [www.forward-pharma.com](http://www.forward-pharma.com). As set forth in the 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 historically 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 and may continue to do so in the future in relation to our business. Our scientific advisors are experts across a range of key disciplines relevant to our programs and science.

### **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](http://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, 2020, the aggregate compensation paid to our executive officer and members of our board of directors (including share-based compensation) was \$822,000. This amount includes \$131,000 that was deemed to be the repurchase of equity awards for financial reporting purposes and accounted for as a reduction in shareholders' equity. During the years ended December 31, 2019 and December 31, 2020, there were no equity awards granted to our executive officer or members of our board of directors.

None of our directors are employees of Forward Pharma A/S or its wholly-owned subsidiaries, FP USA and Operations, or Operations' wholly-owned subsidiaries, FP GmbH and FA, 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 Under the Share Plan and Outside the Share Plan" and "Related Party Transactions—Legal Services Provided by Mazanti-Andersen Advokatpartnerselskab 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 that we believe are standard for a company in our industry regarding non-competition, confidentiality of information and assignment of inventions.

We, through our wholly-owned subsidiary FP USA, have also entered into a written service agreement with our Vice President, Finance and Controller, Thomas Carbone, which 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 currently available for awards pursuant to the Share Plan is 9,362,296 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.

*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.

### 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, 2020, we had four employees of which three are in Europe and one is in the United States. One employee holds an M.D. and a Ph.D. degree. One of our employees is represented by a labor union while none of our employees are covered under a collective bargaining agreement. 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, 2021.

<u>Directors and Executive Officers</u>	<u># of Shares</u>	<u>% of issued Shares(1)</u>
Florian Schönharting(2)	51,647,900	53.53%
Torsten Goesch(3)	17,576,400	18.22%
Jakob M. Larsen(4)	228,280	*
Grant H. Lawrence(5)	228,280	*
Duncan Moore(6)	436,869	*
Claus Bo Svendsen(7)	1,429,519	1.48%

\* 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, 2020 (i.e., May 31, 2020) 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, 2021, we had 96,487,597 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 Holdingselskabet af 1 januar 2016 ApS and 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 options to purchase up to 178,280 shares at an exercise price of \$6.92 per share that may be exercised during the period from July 1, 2018 to June 30, 2021 (absent a discontinuation of service) and options to purchase up to 50,000 shares at an exercise price of 0.01 DKK per share that may be exercised during the period from June 20, 2020 to June 19, 2023 (absent a discontinuation of service).
- (5) Includes options to purchase up to 178,280 shares at an exercise price of \$6.92 per share that may be exercised during the period from July 1, 2018 to June 30, 2021 (absent a discontinuation of service) and options to purchase up to 50,000 shares at an exercise price of 0.01 DKK per share that may be exercised during the period from June 20, 2020 to June 19, 2023 (absent a discontinuation of service).
- (6) Includes options to purchase up to 265,662 shares at an exercise price of 0.01 DKK per share that may be exercised during the period from May 1, 2019 to April 30, 2022 (absent a discontinuation of service), options to purchase up to 50,000 shares at an exercise price of 0.01 DKK per share that may be exercised during the period from June 20, 2020 to June 19, 2023 (absent a discontinuation of service) and 121,207 deferred shares that became exercisable on October 10, 2020.
- (7) Includes options to purchase 240,000 shares at an exercise price of \$4.51 per share that may be exercised during the period June 1, 2019 to May 31, 2021 (absent a discontinuation of service), options to purchase 469,519 shares at an exercise price of 0.01 DKK per share that may be exercised during the period from November 30, 2020 to November 29, 2022 (absent a discontinuation of service), options to purchase 120,000 shares at an exercise price of \$2.24 per share that may be exercised during the period from March 1, 2021 to February 28, 2023 (absent discontinuation of service) and options to purchase 600,000 shares at an exercise price of 0.01 DKK per share that may be exercised only during the period from June 20, 2020 to June 19, 2023 (absent a discontinuation of service). Excludes 40,000 deferred shares that will not become exercisable before May 31, 2021.

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 April 1, 2021, April 1, 2020 and April 1, 2019, each being the most recent practicable date before reporting for the last three fiscal years based on information available to the Company.

Name	2019		2020		2021	
	# of Shares	% of issued Shares	# of Shares	% of issued Shares	# of Shares	% of issued Shares*
Nordic Biotech K/S(1)	24,250,680	25.51%	24,250,680	25.51%	24,250,680	25.13%
Nordic Biotech Opportunity Fund K/S(1)	21,177,980	22.28%	21,177,980	22.28%	21,177,980	21.95%
NB FP Investment K/S(2)	5,014,720	5.27%	5,014,720	5.27%	5,014,720	5.20%
Rosetta Capital I, LP	17,576,400	18.49%	17,576,400	18.49%	17,576,400	18.22%
The Bank of New York Mellon(3)	22,968,570	24.16%	22,968,570	24.16%	23,162,876	24.01%
BVF Partners L.P. and its affiliates(4)	18,092,758	19.03%	14,092,736	14.82%	10,194,786	10.57%
Newtyn Management, LLC(5)	—		5,973,800	6.28%	—	

\* Based on 96,487,597 ordinary shares outstanding as of April 1, 2021.

- (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. Shares represented by ADSs that are beneficially owned by other major holders are also included in The Bank of New York Mellon's reported ownership.
- (4) The 2021 information in the table and this note is derived from a Schedule 13G/A filed jointly by BVF Partners L.P. ("Partners"), BVF Inc., Mark N. Lampert, Biotechnology Value Fund, L.P. ("BVF"), BVF I GP LLC ("BVF GP"), Biotechnology Value Fund II, L.P. ("BVF2"), BVF II GP LLC ("BVF2 GP"), Biotechnology Value Trading Fund OS LP ("Trading Fund OS"), BVF Partners OS Ltd. ("Partners OS") and BVF GP Holdings LLC ("BVF GPH" and together with Partners, BVF, BVF GP, BVF2, BVF2 GP, Trading Fund OS and Partners OS, the "BVF Entities") with the SEC on February 11, 2021. Based on information contained in the Schedule 13G/A, as of December 31, 2020 (i) BVF beneficially owned 5,052,310 shares, of which 338,393 are represented by ADSs, (ii) BVF2 beneficially owned 3,698,691 shares, of which 252,517 are represented by ADSs, and (iii) Trading Fund OS beneficially owned 616,756 shares, of which 44,054 are represented by ADSs. BVF GP, as the general partner of BVF, may be deemed to beneficially own the shares beneficially owned by BVF. BVF2 GP, as the general partner of BVF2, may be deemed to beneficially own the shares beneficially owned by BVF2. Partners OS, as the general partner of Trading Fund OS, may be deemed to beneficially own the shares beneficially

owned by Trading Fund OS. BVF GPH, as the sole member of each of BVF GP and BVF2 GP, may be deemed to beneficially own the 8,751,001 shares beneficially owned in the aggregate by BVF and BVF2. Partners, as the investment manager of BVF, BVF2 and Trading Fund OS, and the sole member of Partners OS, may be deemed to beneficially own the 10,194,786 shares beneficially owned in the aggregate by BVF, BVF2, Trading Fund OS, and certain Partners managed accounts (the "Partners Managed Accounts"), including 827,029 shares, of which 12,335 are represented by ADSs, held in the Partners Managed Accounts. BVF Inc., as the general partner of Partners, may be deemed to beneficially own the shares beneficially owned by Partners. Mr. Lampert, as a director and officer of BVF Inc., may be deemed to beneficially own the shares beneficially owned by BVF Inc. BVF GP disclaims beneficial ownership of the shares beneficially owned by BVF. BVF2 GP disclaims beneficial ownership of the shares beneficially owned by BVF2. Partners OS disclaims beneficial ownership of the shares beneficially owned by Trading Fund OS. BVF GPH disclaims beneficial ownership of the shares beneficially owned by BVF and BVF2. Each of Partners, BVF Inc. and Mr. Lampert disclaims beneficial ownership of the shares beneficially owned by BVF, BVF2, Trading Fund OS, and the Partners Managed Accounts. The ordinary shares underlying the 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 BVF, BVF GP, BVF2, BVF2 GP, BVF GPH, Partners, BVF Inc. and Mark N. Lampert is 44 Montgomery St., 40th Floor, San Francisco, California 94104. The business address of each of Trading Fund OS and Partners OS is PO Box 309 Uglund House, Grand Cayman, KY1-1104, Cayman Islands.

- (5) The 2021 information in the table and this note is derived from a Schedule 13G/A filed by Newtyn Management, LLC with the SEC on February 16, 2021. The business address of each of Newtyn Management, LLC is 60 East 42nd Street, Suite 960, New York, New York 10165.

As of April 1, 2021, there were a total of 23 holders of record of our ordinary shares, including the Bank of New York Mellon who is acting as depositary bank for our ADS program. Ten holders of record of our ordinary shares had addresses in the United States, representing 44.41% of our ordinary shares. As of April 1, 2021, there were a total of two holders of record of our ADSs, both of which had addresses in the United States.

Our shareholders do not have different voting rights. We are not aware of any arrangement that may, at a subsequent date, result in a change in control of our company.

## **B. Related Party Transactions**

The following is a description of the related party transactions that we have entered into since January 1, 2019 with any of the members of our board of directors, our executive officers, our major shareholders or our affiliates.

### *Leased Premises*

We sublease our headquarters in Copenhagen, Denmark from the management company of two of our major shareholders, Nordic Biotech Advisors ApS. In 2020 and 2019, we paid 633,000 DKK (\$97,000 based on the average exchange rate for the year) and 611,000 DKK (\$92,000 based on the average exchange rate for the year), 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 our officers.

### *Legal Services Provided by Mazanti-Andersen Advokatpartnerselskab LLP*

Mazanti-Andersen Advokatpartnerselskab 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 Advokatpartnerselskab LLP. Mazanti-Andersen Advokatpartnerselskab LLP charged us for services it rendered on an hourly basis and expenses incurred. For the years ended December 31, 2020 and 2019, we incurred legal expenses for services rendered by Mazanti-Andersen Advokatpartnerselskab LLP of 1,784,000 DKK (approximately \$273,000 based on the average exchange rate for the year) and 1,557,000 DKK (approximately \$233,000 based on the average exchange rate for the year), excluding VAT, respectively. 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 entered into a consulting agreement with Dr. Duncan Moore who is a member of our board of directors. Pursuant to the consulting agreement with Dr. Moore, Dr. Moore acted as an advisor for the chairman of the board of directors and performed director-level consulting services as requested by the board of directors from time to time. The consulting agreement with Dr. Moore expired on October 10, 2020. As compensation for the consulting services, the Company granted Dr. Moore a deferred share award with respect to 121,207 shares, which has vested in full.

### *Aditech Agreements*

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

### *IPR Agreement.*

The IPR Agreement requires Operations, our wholly-owned subsidiary, to pay an annual fee to FWP IP, which was a wholly-owned subsidiary of Operations until November 22, 2017, of 100,000 DKK (\$17,000 based on the December 31, 2020 exchange rate), excluding VAT, as consideration for FWP IP agreeing to hold, prosecute and maintain the transferred intellectual property. Operations is obligated to remit the annual fee through the last to expire, or invalidation of, the licensed patents underlying the transferred intellectual property; however, Operations' obligation to remit the annual fee would be discontinued early if certain events occur as defined in the License Agreement.

## **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 our ADSs.

**B. Plan of Distribution**

Not applicable.

**C. Markets**

ADSs representing our ordinary shares are listed on The Nasdaq Capital Market under the symbol "FWP." Effective as of December 6, 2019, the Company changed the ADS ratio from one ADS per two ordinary shares to one ADS per fourteen ordinary shares.

**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 4,581,376 DKK to 4,651,374 DKK;
- 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;
- on August 30, 2016, to implement the terms applicable to warrants granted to a person employed with the Company;
- 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;
- on May 3, 2017, to reflect that the Company's statutory Danish annual report is prepared and presented in English;
- on August 2, 2017, to make a share split in the ratio 1/10 (the Share Split);
- on September 1, 2017, to decrease the share capital at a premium rate and pay the proceeds to the shareholders at a rate of EUR 19.45 per share of nominally 0.10 DKK (corresponding to EUR 2.43125 per share of nominally 0.01 DKK that was annulled);
- on November 21, 2017, to adopt principles for the adjustment of certain award terms and compensation of certain award holders due to the changes in the Company's capital structure etc. resolved on the Company's extraordinary general meeting on August 2, 2017;
- on November 28, 2017, to implement the terms applicable to warrants granted to employees, board members and a consultant of the Company;
- on April 4, 2018, to implement the terms applicable to warrants granted to Claus Bo Svendsen;
- on June 12, 2018, to issue shares to two warrant holders that had exercised their warrants, including Jan van de Winkel, a former director of the Company;
- on September 18, 2018, to implement the terms applicable to warrants granted to an employee of the Company and to issue shares to a warrant holder that had exercised its warrants;
- on May 8, 2019, to extend until May 1, 2024 the authorizations of the board of directors pursuant to articles 3.2, 3.4, 3.6 and 4.2 in our Articles of Association to (a) issue warrants and corresponding shares to employees, members of the executive management, members of the board of directors and consultants, (b) issue shares to employees, members of the executive management, members of the board of directors and consultants, (c) issue shares without pre-emption rights of the existing shareholders, and (d) have the Company acquire its own shares;
- on November 26, 2019, to implement the terms applicable to warrants granted to two employees of the Company, including Claus Bo Svendsen;
- on April 24, 2020, to implement the terms applicable to warrants granted to Claus Bo Svendsen;
- on May 7, 2020, to issue shares to five warrant holders that had exercised their warrants, including Joel Sendek, the former CFO of the Company, and to one holder of deferred shares;

- on April 13, 2021, to issue shares to five warrant holders that had exercised their warrants, including Peder Møller Andersen, the former CEO of the Company.

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 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, Nordic Biotech Opportunity Fund K/S, NB FP Investment K/S and NB FP Investment II K/S, which were 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 NB FP Investment K/S with the right to nominate four directors (including the chairman), Nordic Biotech Opportunity Fund K/S and Nordic Biotech K/S, collectively with the right to nominate one director, and NB FP Investment II K/S with the right to nominate one director;
- Veto rights of NB FP Investment K/S: Prohibiting the other parties to the shareholders' agreement from voting in favor of certain key decisions without the approval of NB FP Investment K/S;
- 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 NB FP Investment K/S with drag-along and exit rights in certain situations; and
- Capital increases: Providing NB FP Investment K/S with the right to cause the other parties to approve an increase in share capital in certain situations.

#### **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 our ordinary shares or ADSs, except for any legislation restricting the remittance of dividends, interest and other payments in compliance with United Nations and European Union sanctions.

#### **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 United States 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 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 United States should be treated as non-listed shares.

#### 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 55,300 DKK in 2020 (for cohabiting spouses a total of 110,600 DKK), and at a rate of 42% on share income over 55,300 DKK (for cohabiting spouses a total of 110,600 DKK). In 2021, the sale of shares will be taxed as share income at a rate of 27% on the first 56,500 DKK (for cohabiting spouses a total of 113,000 DKK), and at a rate of 42% on share income over DKK 56,500 (for cohabiting spouses a total of 113,000 DKK). All amounts are subject to annual adjustments and include all share income derived by the individual or cohabiting spouses, respectively.

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. 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%.

Dividends paid to companies are generally subject to withholding tax, which is the responsibility of the recipient, at a rate of 22%. Certain options to lower this rate exist dependent on the shareholder status.

#### ***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 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 corporate 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 90 countries, including the United States 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 United States 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 either 10% or more of our voting shares or 10% of the value of our shares; and
- persons holding the ADSs in connection with a trade or business conducted outside the United States.

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 United States, 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 United States 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 United States, 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. Under certain situations, subject to applicable limitations, dividends paid to certain non-corporate U.S. Holders may be taxable at preferential rates applicable to long-term capital gains. 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 seven years preceding December 31, 2020, 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 United States 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. 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](http://www.sec.gov). We make our reports available on our internet website, free of charge, as soon as reasonably practicable after such material is electronically filed with the SEC. The address of our website is [www.forward-pharma.com](http://www.forward-pharma.com). No portion of our website is incorporated by reference into this Annual Report.

## 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: foreign exchange 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 and the Euro.

Forward Pharma A/S's, Operations', and FA's functional currency is the DKK, FP GmbH's functional currency is the Euro, and FP USA's functional currency is the USD. Our expenses to date have been largely denominated in USD, DKK, and in Euro and therefore we are impacted by changes in foreign currency exchange rates. Our revenue from the License Agreement and our obligation to Aditech were denominated in USD. It is very common for a group company to conduct cross-border transactions where the functional currency is not always used, including purchases from vendors in the United Kingdom, where the GBP is used, and the United States, where the USD is used. In addition, the Company and Operations, who each use the DKK as their functional currency, have large cash holdings in Euros and USD. Accordingly, future changes in the exchange rates of the DKK, the Euro and/or the USD will expose us to currency gains or losses that will impact the reported amounts of assets, liabilities, income and expenses and the impact could be material. In particular, changes in the exchange rate between the USD and the DKK have the greatest effect on our reported foreign exchange gains or losses. The strengthening of the USD compared to the DKK will have a favorable effect on our reported operating results while the weakening of the USD compared to the DKK will have an unfavorable effect on our reported operating results. Small changes in the exchange rate between the USD and the DKK can have a material effect on our reported foreign exchange gains or losses.

For the years ended December 31, 2020, 2019 and 2018, we recognized foreign exchange (loss) gains of (\$3.0 million), \$759,000 and 2.7 million respectively. The foreign exchange loss incurred during 2020 was primarily related USD cash holdings and the associated weakening of the USD compared to the DKK during the year. The foreign exchange gains incurred during 2019 and 2018 were primarily related USD cash holdings and the associated strengthening of the USD compared to the DKK during each year. While we benefited from changes in foreign exchange rates in 2019 and 2018, it is possible that the foreign exchange loss experienced in 2020 could reoccur. Any reoccurrences of foreign exchange losses would negatively affect us and the effect could be material.

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.

We estimate a 10% increase in the value of the USD relative to the Euro and the DKK would have decreased our net loss for the year ended December 31, 2020 by \$636,000. A 10% decrease in the value of the USD relative to the Euro and the DKK would have increased our net loss for the year ended December 31, 2020 by a similar amount. For information on exchange rate sensitivity analysis, see Note 5.2 *Financial risk factors*, to the accompanying consolidated financial statements.

***Credit Risk***

As of December 31, 2020, our cash and cash equivalents are held primarily at two banks that have Moody's long-term debt ratings of Aa3 or better. We do not invest in equity instruments or derivatives. Our investment criteria require preservation of capital and diversification in high credit rated financial institutions.

***Liquidity Risk***

As of December 31, 2020, we held cash and cash equivalents totaling \$79.1 million, which we believe will be sufficient to provide adequate funding to allow us to meet our planned operating activities in the normal course of business beyond the year ending December 31, 2021.

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. There is a high level of uncertainty in estimating the costs we will incur to continue the Opposition Proceeding and to defend and protect the intellectual property associated with the Company. There are other uncertainties that could negatively affect our estimated cash spend in 2021 including, but not limited to, the level of support needed from professional tax advisors to defend tax filing positions and an unforeseen negative outcome of the tax audits in Denmark and Germany (see Note 3.4 to the financial statements for additional information). Accordingly, our estimated use of cash for the year ending December 31, 2021 could change near-term and the change could be material.

We currently estimate that there will be adequate liquidity to continue as a going concern beyond the next twelve months; however, if we do not prevail in the Opposition Proceeding, including all appeals, future revenues are unlikely and our ability to continue as a going concern long-term would be uncertain and management would consider, amongst other things, an orderly wind-down of operations.

We currently have no significant planned capital expenditures nor are there plans to make cash distributions to shareholders.

**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:

<u>Persons depositing or withdrawing ordinary shares or ADSs must pay:</u>	<u>For:</u>
\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	<ul style="list-style-type: none"><li>• Issue of ADSs, including issues resulting from a distribution of ordinary shares or rights or other property</li></ul>
\$0.05 (or less) per ADS	<ul style="list-style-type: none"><li>• Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates</li><li>• Any cash distribution to the holder</li></ul>
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	<ul style="list-style-type: none"><li>• Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to the holder</li></ul>
\$0.05 (or less) per ADS per calendar year	<ul style="list-style-type: none"><li>• Depositary services</li></ul>
Registration or transfer fees	<ul style="list-style-type: none"><li>• 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</li></ul>
Expenses of the depositary	<ul style="list-style-type: none"><li>• Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement)</li><li>• Converting foreign currency to U.S. Dollars</li></ul>
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	<ul style="list-style-type: none"><li>• As necessary</li></ul>
Any charges incurred by the depositary or its agents for servicing the deposited securities	<ul style="list-style-type: none"><li>• As necessary</li></ul>

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

#### 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 financial officer, as appropriate to allow timely decisions regarding required disclosure. Our management, with the participation of our principal executive and financial officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2020.

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, 2020, our principal executive and financial officer concluded that, as of such date, our disclosure controls and procedures were not effective, as a result of the material weakness in internal controls over financial reporting described below.

#### 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 (COSO). Based on our evaluation under this framework, our management concluded that our internal control over financial reporting was not effective as of December 31, 2020 due to the material weakness described below.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.



Based on the evaluation performed as of December 31, 2017, in accordance with the COSO criteria, management identified a material weakness in our internal control over financial reporting due to the ineffective design of review controls in place related to the appropriate accounting treatment of complex, non-routine transactions and ineffective segregation of duties over the recording of non-routine transactions primarily as a result of limited resourcing. While management took actions to remediate the material weakness, or Actions, during the years ended December 31, 2020, 2019 and 2018, no complex non-routine transactions occurred. Therefore, management was not able to monitor and test whether the Actions taken were sufficient to remediate the material weakness. As a result of the lack of objective evidence that the Actions taken were sufficient to remediate the material weakness, management must conclude that the material weakness has not been remediated. Accordingly, based on the evaluation performed as December 31, 2020, in accordance with the COSO criteria, management continues to disclose a material weakness in our internal control over financial reporting due to the ineffective design of review controls in place related to the appropriate accounting treatment of complex, non-routine transactions and ineffective segregation of duties over the recording of non-routine transactions.

After considering the Company's current situation and expectations of future operations, management does not expect that a complex non-routine transaction will occur in the foreseeable future. Without a complex non-routine transaction, management will be unable to monitor or test that the Actions taken were sufficient to remediate the material weakness. Consequently, it is likely that the material weakness reported herein will continue to be reported in future periods.

#### **Attestation Report of the Registered Public Accounting Firm**

This Annual Report does not include an attestation report of our registered public accounting firm as the result of the Company meeting the definition of a non-accelerated filer and therefore such report is not required under applicable rules and regulations of the SEC.

#### **Changes in Internal Control Over Financial Reporting**

As discussed above, management took actions during the years ended December 31, 2020, 2019 and 2018 to remediate the material weakness, including the hiring of an outside advisor, or the Advisor, to evaluate the current design of our internal control environment and suggest steps to enhance processes. The Advisor's suggestions have been implemented. In addition, we also hired an experienced professional who has many years of financial reporting experience working at a subsidiary of a U.S. listed company as well as over ten years of experience working at a large, international accounting firm. The professional holds a senior position within the Company's finance department and is involved in overseeing all the activities of the finance department in Denmark. The professional reports to the Vice President, Finance and Controller and has direct access to the Company's Chief Executive Officer. Should the Group enter into a complex non-routine transaction in the future, the professional will independently evaluate the technical aspects, in accordance with IFRS, and financial statement implications of such transaction, and ensure that such transaction is correctly accounted for and disclosed in the Company's consolidated financial statements. The professional's role within our system of internal control over financial reporting affords management the ability to enhance segregation of duties by redefining roles and responsibilities of staff to increase oversight and review capabilities.

#### **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 and financial officer, Claus Bo Svendsen, and principal accounting officer, Thomas Carbone. 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](http://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, EY Godkendt Revisionspartnerselskab, have performed the following services for the Company during the past two years:

	<u>2020</u>	<u>2019</u>
	(USD in thousands)	
Audit	\$ 275	\$ 250
Audit related	—	—
Total	<u>\$ 275</u>	<u>\$ 250</u>

All services provided to the Company by EY Godkendt Revisionspartnerselskab 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 2020, 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 Capital 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 "independent directors" as defined in the Nasdaq Listing Rules, and a majority of the members of our board of directors are not "independent directors."
- 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 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 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**

<u>Exhibit Number</u>	<u>Description</u>
1.1	<a href="#">English translation of Amended and Restated Articles of Association, dated April 13, 2021.</a>
2.1(2)	<a href="#">Registration Rights Agreement, dated September 11, 2014, between Forward Pharma A/S and each of the investors listed on Schedule A thereto.</a>
2.2(3)	<a href="#">Deposit Agreement between the Registrant and The Bank of New York Mellon, as depositary, dated October 14, 2014.</a>
2.3(4)	<a href="#">Letter Agreement between the Registrant and The Bank of New York Mellon, as depositary, dated May 29, 2019.</a>
2.4(3)	<a href="#">Form of American Depositary Receipt (included in Exhibit 2.2).</a>
2.5(2)	<a href="#">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.</a>
2.6(4)	<a href="#">Description of Securities.</a>
4.1(1)	<a href="#">Patent Transfer Agreement, dated May 4, 2010, between Forward Pharma A/S and Aditech Pharma AG.</a>
4.2(7)	<a href="#">Addendum to Patent Transfer Agreement, dated January 17, 2017, between Forward Pharma A/S and Aditech Pharma AG.</a>
4.3(1)	<a href="#">Form of Director and Officer Indemnification Agreement.</a>
4.4(5)	<a href="#">Forward Pharma A/S 2014 Omnibus Equity Incentive Compensation Plan.</a>
4.5(6)	<a href="#">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.</a>
4.6(9)	<a href="#">Call Option Agreement, dated as of November 22, 2017, by and among Forward Pharma A/S, FWP HoldCo ApS and Biogen Swiss Manufacturing GmbH.</a>
4.7(9)	<a href="#">Pledge Agreement, dated as of November 22, 2017, by and among Forward Pharma A/S, FWP HoldCo ApS and Biogen Swiss Manufacturing GmbH.</a>
4.8(9)	<a href="#">Share Purchase Agreement, dated as of November 22, 2017, by and between Forward Pharma Operations ApS and FWP HoldCo ApS.</a>

<u>Exhibit Number</u>	<u>Description</u>
4.9(8)	<a href="#">Asset Contribution Agreement, dated as of June 30, 2017, by and between Forward Pharma A/S and Forward Pharma Operations ApS.</a>
4.10(8)	<a href="#">IPR Services, Administration, Funding and Novation Agreement, dated as of June 30, 2017, by and among Forward Pharma A/S, Forward Pharma Operations ApS, FWP IP ApS, Biogen Swiss Manufacturing GmbH and Biogen International Holding Limited.</a>
8.1	<a href="#">List of Subsidiaries.</a>
12.1	<a href="#">Certification of Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.</a>
12.2	<a href="#">Certification of Principal Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.</a>
13.1	<a href="#">Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
15.1	<a href="#">Consent of EY Godkendt Revisionspartnerselskab, Independent Registered Public Accounting Firm.</a>
EX-101.INS	XBRL Instance Document.
EX-101.SCH	XBRL Taxonomy Extension Schema Document.
EX-101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
EX-101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
EX-101.IAB	XBRL Taxonomy Extension Labels Linkbase Document.
EX-101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

- (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 Annual Report on Form 20-F filed with the SEC on March 25, 2015.
- (4) Incorporated by reference from the Annual Report on Form 20-F filed with the SEC on April 24, 2020.
- (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 Annual Report on Form 20-F filed with the SEC on April 18, 2017.
- (7) Incorporated by reference from the Registrant's Current Report on Form 6-K filed with the SEC on January 17, 2017.
- (8) Incorporated by references from the Registrant's Current Report on Form 6-K filed with the SEC on September 26, 2017.
- (9) Incorporated by references from the Registrant's Current Report on Form 6-K filed with the SEC on November 22, 2017.



**Forward Pharma A/S**

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## Report of Independent Registered Public Accounting Firm

### To the Shareholders and the Board of Directors of Forward Pharma A/S

#### Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Forward Pharma A/S and its subsidiaries (the Company) as of December 31, 2020 and 2019, the related consolidated statements of profit or loss, other comprehensive income (loss), changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

#### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting 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.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

#### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements,



taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

**Accounting for tax uncertainties**

*Description of the Matter* As discussed in Note 3.4 to the consolidated financial statements, the Danish and German tax authorities are conducting a joint tax audit on the Company's Danish and German corporate income tax returns covering multiple years through the year ended December 31, 2017. Such joint tax audit could result in the tax authorities disagreeing with the tax filing positions taken by the Company, which could give rise to additional tax payments, including interest and penalties, that could be material. Management has determined that it is not probable (i.e., more likely than not) that the Company will be required to pay additional taxes upon the ultimate resolution of the joint tax audit.

Auditing the Company's accounting for tax uncertainties was complex due to the fact that management's determination is inherently subjective. The tax rules and regulations are very complex and therefore it is subject to uncertainty whether management's interpretation and application of these rules and regulations to determine tax filing positions in Denmark and Germany will be accepted by the tax authorities.

*How We Addressed the Matter in Our Audit* To test the Company's accounting for tax uncertainties as a result of the ongoing joint tax audit, we considered management's assessment of the joint tax audit based on developments during the year. Our audit procedures included, among others, assessing the most recent correspondence with the relevant tax authorities. In addition, we have evaluated the tax opinions and memorandums provided by the Company's tax advisors, who assisted management in their assessment. We involved tax specialists to assist in evaluating the application of tax rules and regulations applied by management in their assessment. We also assessed the adequacy of disclosures related to the joint tax audit included in Note 3.4 to the consolidated financial statements.

/s/ EY Godkendt Revisionspartnerselskab

We have served as the Company's auditor since 2005.

Copenhagen, Denmark

April 14, 2021

**Consolidated Statements of Financial Position**

as of December 31, 2020 and 2019

	Notes	December 31,	
		2020	2019
		USD '000	USD '000
<b>Assets</b>			
Other non-current asset	6.2	3	2
Total non-current assets		3	2
Prepayments	4.1	337	292
Other receivables	4.2, 5.4	91	95
Income tax receivable	3.4	196	178
Cash and cash equivalents	5.2	79,087	77,598
Total current assets		79,711	78,163
Total assets		79,714	78,165

	Notes	December 31,	
		2020	2019
		USD '000	USD '000
<b>Equity and Liabilities</b>			
Share capital	5.1	154	152
Other components of equity:			
Foreign currency translation reserve		93,315	85,849
Accumulated deficit		(14,825)	(8,432)
Equity attributable to shareholders of the Company		78,644	77,569
Total equity		78,644	77,569
Trade payables	5.4	476	82
Accrued liabilities	4.3	594	514
Total current liabilities		1,070	596
Total equity and liabilities		79,714	78,165

See accompanying notes to these consolidated financial statements

**Consolidated Statements of Profit or Loss**  
**for the years ended December 31, 2020, 2019 and 2018**

**amounts in thousands except per share amounts**

	Notes	Year ended December 31,		
		2020	2019	2018
		USD	USD	USD
Research and development costs	3.2, 3.3	(327)	(1,049)	(2,748)
General and administrative costs	3.2, 3.3, 6.1	(3,059)	(4,234)	(9,535)
Operating loss		(3,386)	(5,283)	(12,283)
Exchange rate (loss) gain, net		(2,970)	759	2,713
Other finance (expense) income, net	5.3	(93)	303	644
Loss before tax		(6,449)	(4,221)	(8,926)
Income tax benefit	3.4	—	—	204
Net loss for the year		(6,449)	(4,221)	(8,722)
Net loss for the year attributable to:				
Equity holders of the Company		(6,449)	(4,221)	(8,722)
Per share amounts:				
Net loss per share basic and diluted	3.5	(0.07)	(0.04)	(0.09)

See accompanying notes to these consolidated financial statements

**Consolidated Statements of Other Comprehensive Income (Loss)****for the years ended December 31, 2020, 2019 and 2018**

	<u>Notes</u>	<u>Year ended December 31,</u>		
		<u>2020</u>	<u>2019</u>	<u>2018</u>
		<u>USD '000</u>	<u>USD '000</u>	<u>USD '000</u>
Net loss for the year		<u>(6,449)</u>	<u>(4,221)</u>	<u>(8,722)</u>
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation reserve	2.1	<u>7,466</u>	<u>(1,899)</u>	<u>(4,154)</u>
Total other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods		<u>7,466</u>	<u>(1,899)</u>	<u>(4,154)</u>
Total comprehensive income (loss)		<u>1,017</u>	<u>(6,120)</u>	<u>(12,876)</u>
Attributable to:				
Equity holders of the Company		<u>1,017</u>	<u>(6,120)</u>	<u>(12,876)</u>

See accompanying notes to these consolidated financial statements

**Consolidated Statements of Changes in Shareholders' Equity**  
**for the years ended December 31, 2018, 2019 and 2020**

	<u>Notes</u>	<u>Share capital USD '000</u>	<u>Foreign currency translation reserve USD '000</u>	<u>Accumulated deficit USD '000</u>	<u>Total equity USD '000</u>
At January 1, 2018		151	91,902	(2,373)	89,680
Net loss for the year		—	—	(8,722)	(8,722)
Other comprehensive loss		—	(4,154)	—	(4,154)
Total comprehensive loss		—	(4,154)	(8,722)	(12,876)
Exercise of warrants	5.1	1	—	—	1
Repurchase of equity awards	3.3	—	—	(761)	(761)
Share-based payment costs	3.3	—	—	6,170	6,170
Transactions with owners		1	—	5,409	5,410
At December 31, 2018		152	87,748	(5,686)	82,214
At January 1, 2019		152	87,748	(5,686)	82,214
Net loss for the year		—	—	(4,221)	(4,221)
Other comprehensive loss		—	(1,899)	—	(1,899)
Total comprehensive loss		—	(1,899)	(4,221)	(6,120)
Repurchase of equity awards	3.3	—	—	(670)	(670)
Share-based payment costs	3.3	—	—	2,145	2,145
Transactions with owners		—	—	1,475	1,475
At December 31, 2019		152	85,849	(8,432)	77,569
At January 1, 2020		152	85,849	(8,432)	77,569
Net loss for the year		—	—	(6,449)	(6,449)
Other comprehensive income		—	7,466	—	7,466
Total comprehensive income		—	7,466	(6,449)	1,017
Exercise of equity awards	5.1	2	—	—	2
Repurchase of equity awards	3.3	—	—	(278)	(278)
Share-based payment costs	3.3	—	—	334	334
Transactions with owners		2	—	56	58
At December 31, 2020		154	93,315	(14,825)	78,644

See accompanying notes to these consolidated financial statements

**Consolidated Statements of Cash Flows**  
**for the years ended December 31, 2020, 2019 and 2018**

	Notes	Year ended December 31,		
		2020 USD '000	2019 USD '000	2018 USD '000
<b>Operating activities:</b>				
Loss before tax		(6,449)	(4,221)	(8,926)
Adjustments to reconcile loss before tax to net cash flows used in operating activities:				
Share-based payment costs	3.3	334	2,145	6,170
Depreciation expense and other		—	1	10
Cash inflow for taxes		—	—	472
Cash outflow for taxes		—	(67)	(7,089)
(Increase) decrease in other receivables and prepayments		(7)	200	384
Increase (decrease) in trade payables and accrued liabilities		409	(289)	(5,808)
Net cash flows used in operating activities		<u>(5,713)</u>	<u>(2,231)</u>	<u>(14,787)</u>
<b>Investing activities:</b>				
Change in non-current asset	6.2	(1)	—	3
Net cash flows (used in) provided by investing activities		<u>(1)</u>	<u>—</u>	<u>3</u>
<b>Financing activities:</b>				
Shares issued for cash	3.3, 5.1	2	—	1
Repurchase of equity awards	3.3	(285)	(799)	(8,121)
Net cash flows used in financing activities		<u>(283)</u>	<u>(799)</u>	<u>(8,120)</u>
Net decrease in cash and cash equivalents		(5,997)	(3,030)	(22,904)
Net foreign exchange differences		7,486	(1,914)	(4,108)
Cash and cash equivalents at January 1		77,598	82,542	109,554
Cash and cash equivalents at December 31		<u>79,087</u>	<u>77,598</u>	<u>82,542</u>

See accompanying notes to these consolidated financial statements

## Notes to Consolidated Financial Statements

### Section 1—Corporate information

#### 1.1 Organization

Forward Pharma A/S (the "Company") 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 directly, and indirectly, owned German, United States and two Danish subsidiaries, identified as follows: Forward Pharma GmbH ("FP GmbH"), Forward Pharma USA, LLC ("FP USA"), Forward Pharma FA ApS ("FA") and Forward Pharma Operations ApS ("Operations"), respectively (also see Restructuring below). 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 April 13, 2021.

As discussed in more detail in Note 1.2, effective as of February 1, 2017, 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. The Company announced on March 1, 2017 plans to complete the remaining research and development efforts of FP187® and pursue an organizational realignment to reduce personnel and operating expenses by mid-year 2017. The organizational realignment was substantially completed by September 30, 2017. As discussed in Note 1.2, the Company has permanently discontinued the development of DMF formulations, including FP187®.

Under the terms of the License Agreement, the Company restructured its operations (the "Restructuring") on June 30, 2017 whereby the Company transferred to Operations (a wholly owned Danish limited liability company of the Company created in 2017) certain assets and liabilities, including the legal and beneficial rights, title and interest to defined intellectual property (the "IP"), and Operations transferred the IP to FWP IP ApS ("FWP IP") (a wholly owned Danish limited liability company of Operations created in 2017). The final step in the Restructuring was completed on November 22, 2017 when the capital stock of FWP IP was sold (the "Sale") to a Danish limited liability company (FWP HoldCo ApS, referred to as "HoldCo") owned and controlled by an independent Danish foundation (FWP Fonden, referred to as the "Foundation"). In consideration for the capital stock of FWP IP, HoldCo paid Operations 336,000 Danish Kroner ("DKK") (\$54,000 based on the December 31, 2017 exchange rate).

The Foundation's three-member board includes one independent director and one director appointed by each of the Company and Biogen. The Company does not control, nor does it have exposure or rights to variable returns from the Foundation, HoldCo or FWP IP. During November 2017, the Group contributed 5 million DKK (\$805,000 based on the December 31, 2017 exchange rate) as the initial capitalization of the Foundation and is obligated to pay 100,000 DKK (\$17,000 based on the December 31, 2020 exchange rate) annually (the "Annual Funding") to FWP IP in exchange for FWP IP agreeing to hold, prosecute and maintain the IP in accordance with certain agreements. The Group is only obligated to remit the Annual Funding through the last to expire, or invalidation of, the licensed patents underlying the IP; however, the Company's obligation to remit the Annual Funding would be discontinued earlier if certain events, as defined in the License Agreement, occur.

On August 2, 2017, the Company's shareholders approved a 10-for-1 share split (the "Share Split"). All share and per share information contained in the accompanying financial statements has been adjusted to reflect the Share Split. Subsequent to the Share Split, the nominal value of an ordinary share of the Company is 0.01 DKK.

## Notes to Consolidated Financial Statements (Continued)

### Section 1—Corporate information (Continued)

On August 2, 2017, the Company's shareholders approved a capital reduction with a corresponding shareholder distribution of 917.7 million Euros ("EUR") (\$1.1 billion) (the "Capital Reduction"). The funds for the Capital Reduction were distributed to shareholders during September 2017. The Capital Reduction was executed through the annulment of 80% of the ordinary shares outstanding post Share Split. Currently, there are no plans to distribute funds to shareholders in the future.

#### 1.2 Intellectual Property Proceedings and the Settlement and License Agreement

On February 1, 2017, the License Agreement with Biogen and certain additional parties became effective. The License Agreement provided Biogen with a co-exclusive license in the United States, and an exclusive license outside the United States, to the IP, effective as of February 9, 2017. In accordance with the License Agreement, Biogen paid the Company a non-refundable fee of \$1.25 billion ("Non-refundable Fee") in February 2017.

##### *Background*

On April 13, 2015, an administrative patent judge at the United States Patent Trial and Appeal Board ("PTAB") declared Patent Interference No. 106,023 (the "Interference Proceeding") between the Company's United States Patent Application No. 11/567,871 and United States Patent No. 8,399,514B2 held by a subsidiary of Biogen, Inc. The License Agreement did not resolve the Interference Proceeding between the Company and Biogen or the pending opposition proceeding against the Company's European patent EP2801355 (the "Opposition Proceeding"). The License Agreement allows for the PTAB and the United States Court of Appeals for the Federal Circuit (the "Federal Circuit"), as applicable, and the Opposition Division, the Technical Board of Appeal (the "TBA") and the Enlarged Board of Appeal of the European Patent Office (the "EPO"), as applicable, to make final determinations in the proceedings before them. As discussed further below, the final determinations in the proceedings would determine whether future royalties are due to the Company in accordance with the License Agreement. An unsuccessful outcome in the Interference Proceeding would result in the Company not being entitled to royalties based on Biogen's future net sales in the United States, as defined in the License Agreement, and an unsuccessful outcome in the Opposition Proceeding would result in the Company not being entitled to royalties on Biogen's future net sales outside the United States, as defined in the License Agreement.

##### *Interference Proceeding*

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 not patentable due to a lack of adequate written description. On May 30, 2017, the Company filed a notice of appeal with the Federal Circuit seeking to have the PTAB's decision overturned and the Interference Proceeding reinstated. On October 24, 2018, the Federal Circuit affirmed the PTAB's decision. On November 21, 2018, the Company filed a petition for rehearing of the Federal Circuit's decision. The rehearing request was denied on January 2, 2019 and the Federal Circuit's decision became final on January 9, 2019. The Federal Circuit's final decision ended the Interference Proceeding in favor of Biogen. As a result of the unsuccessful outcome of the Interference Proceeding, the Company will not receive royalties from Biogen based on Biogen's future net sales in the United States, as defined in the License Agreement.



## Notes to Consolidated Financial Statements (Continued)

### Section 1—Corporate information (Continued)

On March 25, 2019, the Company received notice from Biogen of their exercise of the option to purchase the intellectual property in the United States associated with the Company (the "U.S. IP") pursuant to the License Agreement. The Foundation and Biogen have consummated the assignment of the U.S. IP to Biogen upon the execution of assignment agreements and the payment of a nominal amount by Biogen to FWP IP, and Biogen has assumed ownership and responsibility for the assigned U.S. IP. In addition, the Company will not be able to develop or commercialize any therapy for the treatment of any human disease or condition using DMF, including FP187®.

As a result of entering into the License Agreement, combined with the unsuccessful outcome in the Interference Proceeding and Biogen's exercise of its option to purchase the U.S. IP, the Company has permanently discontinued the development of DMF formulations, including FP187®. Therefore, sources of revenue derived from customers in the United States are not expected.

#### *Opposition Proceeding*

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 to collect a 10% royalty from January 1, 2021 to December 31, 2028 and a 20% royalty 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 license 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 in a particular geography having a particular impact as defined in the License Agreement. Given the expected timeline for the resolution of the Opposition Proceeding, including any appeals, the earliest time the Company may expect to receive any royalty income from the License Agreement, if at all, is 2024. If the Company is unsuccessful in the Opposition Proceeding and any appeals therefrom, the Company would not be entitled to future royalties on Biogen's net sales outside the United States, as defined in the License Agreement.

On January 29, 2018, the Opposition Division of the EPO concluded the oral proceeding concerning patent EP2801355 and issued an initial decision in the Opposition Proceeding. The Opposition Division revoked patent EP2801355 after considering third-party oppositions from several opponents. On March 22, 2018, the Opposition Division issued its written decision with detailed reasons for the decision, on May 7, 2018, the Company submitted its notice of appeal, and on August 1, 2018, the Company submitted the detailed grounds for the appeal. On July 8, 2019, the Company received notice from the EPO that the appeal would be heard by the TBA of the EPO on June 18, 2020 (the "2020 Hearing"). The 2020 Hearing has subsequently been postponed twice as the result of the ongoing novel coronavirus 2019 ("COVID-19") pandemic. The 2020 Hearing was initially rescheduled to be heard on February 2, 2021 and on January 12, 2021, the EPO informed the Company that the appeal hearing would be postponed a second time to September 6, 2021 (the "2021 Hearing"). The 2021 Hearing may be further delayed as a result of the COVID-19 pandemic. Management expects the TBA to issue a ruling on the same day as the hearing with a fully-argued decision to follow approximately two months after the 2021 Hearing.

If the Company receives a favorable ruling following the 2021 Hearing, it is expected that the TBA will remand the case to the Opposition Division, in order for the Opposition Division to resolve the

## Notes to Consolidated Financial Statements (Continued)

### Section 1—Corporate information (Continued)

remaining elements of the original opposition. Management estimates that the Opposition Division would take approximately two to three years to resolve the remaining elements of the original opposition. However, delays can occur that would extend the time needed for the Opposition Division to reach a conclusion on the remaining elements of the original opposition. The Group is not entitled to any royalty payments from the License Agreement until and unless all remaining elements of the original opposition are resolved in its favor. As such, the earliest time the Group may expect to receive any revenues from the License Agreement, if at all, is 2024.

If the Company receives an unfavorable ruling in the 2021 Hearing, it would, for all practical purposes, represent an unsuccessful outcome of the Opposition Proceeding, resulting in no royalties being due to Group from Biogen based on Biogen's future net sales outside the United States, as defined in the License Agreement. The Company may request a rehearing of the 2021 Hearing with the Enlarged Board of Appeal of the EPO in an effort to overturn the unfavorable outcome, but the likelihood of getting a rehearing is low. The denial of a request to rehear would end the Opposition Proceeding in favor of the opponents.

#### 1.3 Public listing of American Depositary Shares representing Ordinary Shares

In 2014, the Company completed the initial public offering ("IPO") of American Depositary Shares ("ADSs") representing ordinary shares of the Company in the United States and issued 11.2 million ADSs. Prior to the Share Split, each ADS represented one ordinary share. At the time of the Share Split and after the subsequent Capital Reduction, each ADS represented ten ordinary shares and two ordinary shares, respectively. In addition, on December 6, 2019, an ADS ratio change ("ADS Ratio Change") was implemented that resulted in each ADS representing 14 ordinary shares (see Note 1.4).

As of December 31, 2020, there are 1.65 million ADSs outstanding representing 23.16 million ordinary shares. The change in the number of outstanding ADSs since the Company's IPO is primarily the result of the ADS Ratio Change. The number of ADSs outstanding has no effect on the share or per-share information disclosed herein.

#### 1.4 Nasdaq's Continued Listing Requirements

The Company's ADSs are currently listed on the Nasdaq Stock Market ("Nasdaq") Capital Market Exchange ("CME"). Nasdaq has continued listing requirements ("CLR") that the Company must maintain to remain listed. During 2019, the Company was not in compliance with the CLR and implemented the ADS Ratio Change and transferred the listing from Nasdaq's Global Select Exchange to the CME in order to regain compliance with CLR.

In the future, if the Company fails to maintain compliance with the CLR, the Company's ADSs would likely be delisted from the CME and begin trading on the over-the-counter market (pink sheets).

The Company's ADSs trade under the symbol "FWP" on the CME.

#### 1.5 Going Concern

The Group currently estimates that there will be adequate liquidity to continue as a going concern beyond the next twelve months; however, if the Company fails to prevail in the Opposition Proceeding, including all appeals, as discussed in Note 1.2, future revenues are unlikely, the Company's ability to

## Notes to Consolidated Financial Statements (Continued)

### Section 1—Corporate information (Continued)

continue as a going concern long-term would be uncertain, and management would consider, amongst other things, an orderly wind-down of operations.

### Section 2—Basis of Preparation

#### 2.1 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. 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.

##### *Basis of consolidation*

The accompanying consolidated financial statements include the consolidated statements of financial position of the Group as of December 31, 2020 and 2019, the related consolidated statements of profit or loss, other comprehensive income (loss), changes in shareholders' equity and cash flows for the years ended December 31, 2020, 2019 and 2018.

FP GmbH, FP USA, FA and Operations have been consolidated for all periods presented herein. 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.

The liquidation of FP GmbH was initiated on January 29, 2020. The timing to complete the liquidation of FP GmbH is uncertain at this time. However, the liquidation cannot be completed until the conclusion of the ongoing tax audit of FP GmbH's tax filings that is being conducted by the German tax authorities (see Note 3.4). The liquidation of FP GmbH is not expected to have a material effect on the consolidated financial position or the operating results of the Group.

##### *Translation from functional currencies to presentation currency*

The Group's consolidated financial statements are presented in USD, which is not the functional currency of the Company. The Group's financial statements are presented in USD as the result of the Company publicly listing the ADSs in the United States (see Notes 1.3 and 1.4). The Company, Operations and FA's functional currency is the DKK, FP GmbH's functional currency is the EUR and FP USA's functional currency is the USD.

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 translated into USD at an average exchange rate for the period. Exchange differences arising from such translation are recognized directly in other comprehensive income (loss) and presented in a separate reserve in equity.

**Notes to Consolidated Financial Statements (Continued)****Section 2—Basis of Preparation (Continued)*****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. 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.

For each of the years ended December 31, 2020, 2019 and 2018, the amounts reflected as "Exchange rate (loss) gain, net," within the consolidated statement of profit or loss include the following:

	<b>Year Ended December 31,</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>USD '000</b>	<b>USD '000</b>	<b>USD '000</b>
Total foreign exchange rate gains	21	798	2,940
Total foreign exchange rate losses	(2,991)	(39)	(227)
Net foreign exchange rate (loss) gain	<u>(2,970)</u>	<u>759</u>	<u>2,713</u>

***Revenue recognition***

The Group recognized the Non-refundable Fee in accordance with IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") during the year ended December 31, 2017.

The only contract that the Group is party to that is within the scope of IFRS 15 is the License Agreement. In concluding when the Non-refundable Fee should be recognized as revenue, various judgments were made, including the identification of the Company's performance obligations within the License Agreement and whether these performance obligations are distinct. Management concluded that the performance obligations in the License Agreement were related to the right granted to Biogen to use the licensed IP both in the United States as well as in the rest of the world and concluded that these performance obligations were met at the time the License Agreement was consummated, as Biogen was granted full use of the licensed IP whether under a co-exclusive license or an exclusive license. At the time the License Agreement became effective, the Company was required (i) to fund the cost to file, prosecute and maintain the licensed IP as defined and to the extent set forth, in the License Agreement, (ii) to participate in an intellectual property advisory committee and (iii) to provide the Annual Funding (collectively "Defense Costs" or "Defend the IP"). The period the Company is obligated to fund the Defense Costs is defined in the License Agreement and could include the period from the effective date of the License Agreement through the last to expire, or invalidation of, the licensed patents; however, the Company's obligation to fund Defense Costs would be discontinued earlier if certain events, as defined in the License Agreement, were to occur. Management concluded that the Company's obligation to Defend the IP does not represent a separate performance obligation as such activities are deemed to be costs to protect the value of the license granted to Biogen. Since Biogen received full unrestricted use of the licensed IP at the time the License Agreement was consummated and since the Company currently has no plans to nor is it obligated to further develop the underlying licensed IP, the License Agreement is deemed to provide

## Notes to Consolidated Financial Statements (Continued)

### Section 2—Basis of Preparation (Continued)

Biogen with a right to use the licensed IP upon the consummation of the License Agreement. Based on the facts and circumstance discussed herein, the Non-refundable Fee was recognized as revenue during the year ended December 31, 2017 when the performance obligations were satisfied.

As the result of Biogen's purchase of the U.S. IP, as discussed in Note 1.2, the Company is no longer incurring Defense Costs associated with the U.S. IP.

The License Agreement provides for Biogen to remit to the Company royalties (as defined in Note 1.2) only if the Company is successful in the Opposition Proceeding, including all appeals, and provided that other conditions of the License Agreement are satisfied. Should the Company be entitled to receive royalties from Biogen in the future, such amounts will be recognized as revenue in the period the underlying sales occur. As described above, the Federal Circuit's final decision has ended the Interference Proceeding in favor of Biogen and as a result the Company will not receive royalties from Biogen based on Biogen's future net sales in the United States. If the Company is unsuccessful in the Opposition Proceeding and any appeals therefrom, the Company would not be entitled to future royalties on Biogen's net sales outside the United States.

#### *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 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 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. Generally, equity awards have a term of six years with none exceeding ten years from the date of grant. Equity awards generally vest over a three to five-year service period and certain equity awards vest contingently on the occurrence of defined events.

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. For equity instruments that are modified or replaced, 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.

**Notes to Consolidated Financial Statements (Continued)****Section 2—Basis of Preparation (Continued)*****Leases***

The Group adopted IFRS 16 *Leasing* ("IFRS 16") effective January 1, 2019. IFRS 16 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. In connection with the adoption of IFRS 16, the Group made a policy election to not recognize a right-to-use asset and lease liability for short-term leases and leases for which the underlying asset is of low value. As the result of this policy election, combined with the Group's leases being short-term, the accompanying consolidated statements of financial position do not reflect right-of-use assets or the corresponding lease liabilities in connection with the Group's leases. Lease payments are recognized within operating expenses on a straight-line basis over the lease term.

***Employee benefits***

Employee benefits are primarily made up of salaries, share-based payments, Group-provided health insurance and Group contributions to a defined employee 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 at the 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. As discussed in Notes 1.1 and 1.2, the Group began winding-down development activities of FP187® in March 2017 and in early 2019, the Company announced that all development activities of DMF formulations, including FP187®, were being permanently discontinued. Accordingly, beginning in 2019, research and development costs primarily relate to intellectual property-related costs incurred in connection with patent claims and other intellectual property rights conducted at the patent registry offices as discussed herein.

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. There were no Court Expenses incurred during the year ended December 31, 2020. Court Expenses incurred during the year ended December 31, 2019 were immaterial while Court Expenses incurred during the year ended December 31, 2018 totaled \$453,000.

## Notes to Consolidated Financial Statements (Continued)

### Section 2—Basis of Preparation (Continued)

#### *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 proceeding, oppositions and new patent development). 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, legal and accounting fees, 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 regarding government grants, see Note 6.2.

#### *Current and deferred income taxes*

##### *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. IFRIC 23 *Uncertainty over Income Tax Treatments* ("IFRIC 23") clarifies the recognition and measurement requirements in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments. IFRIC 23 was adopted by the Group effective January 1, 2019. The adoption of IFRIC 23 had no effect on the Company's consolidated financial statements.

##### *Deferred income 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

## Notes to Consolidated Financial Statements (Continued)

### Section 2—Basis of Preparation (Continued)

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 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.

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.

#### ***Equipment***

Historically equipment included computers, office equipment, furniture and manufacturing equipment. Equipment is reflected in the accompanying consolidated statements of financial position at cost net of accumulated depreciation. Depreciation expense has been 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 annually or more often based on changes in facts or circumstances that may result and are adjusted prospectively as changes in accounting estimates.

As of December 31, 2020 and 2019, the Group held an insignificant amount of office equipment that had a net book value of zero. There was no depreciation expense for the year ended December 31, 2020 and depreciation expense in the years ended December 31, 2019 and 2018 was \$1,000 and \$4,000 respectively.

#### ***Financial Instruments***

For all periods presented herein, the Group did not hold derivative financial instruments nor has there been a change in classification of a financial asset after initial recognition and measurements. Financial instruments are not acquired for trading or speculative purposes.

#### ***Initial recognition and measurement***

The Group's financial assets are recognized initially at fair value. For financial assets acquired that will not be measured at fair value through profit or loss, the initial measure of fair value will include transaction costs.

#### ***Subsequent measurement***

Financial assets are classified as either financial assets measured at amortized cost, measured at fair value through profit or loss or measured at fair value through other comprehensive income. The classification will depend on the facts and circumstances at the measurement date and the technical requirements of IFRS 9.



## Notes to Consolidated Financial Statements (Continued)

### Section 2—Basis of Preparation (Continued)

As of December 31, 2020 and 2019 and for each of the years ended December 31, 2020, 2019 and 2018, the only financial assets held by the Group were cash, cash equivalents and receivables. Cash and cash equivalents represent funds available on demand that are measured at amortized cost. Historically, the Group's receivables are due within a short period of time and the Group holds its receivables to collect contractual cash flows: accordingly, the fair value of receivables are based on the undiscounted amount due.

#### *Financial asset impairment*

IFRS 9 requires the use of the expected credit loss model (the "Model") to determine the amount of credit losses. Under the Model, the Group calculates the allowance for losses on a discounted basis based on different default scenarios probability weighted. For each of the years ended December 31, 2020, 2019 and 2018, credit losses incurred by the Group were insignificant.

#### *Financial Liabilities*

The Group's financial liabilities for all periods presented herein include only 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.

#### *Consolidated statements of cash flow*

The consolidated statements of cash flows are presented using the indirect method. The consolidated statements of cash flows present cash flows resulting from operating activities, investing activities and financing activities, and the Group's cash and cash equivalents at the beginning and end of the year.

Operating cash flows primarily comprise before tax operating results adjusted for non-cash items, such as share-based compensation, changes in working capital and cash flows for taxes.

Investing cash flow activities represent changes in office lease security deposits.

Financing cash flow activities are comprised of proceeds from the exercise of equity awards and cash payments in connection with the repurchase of equity awards. See Note 3.3.

Cash includes amounts available on demand. Cash equivalents includes short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### **2.2 Significant accounting judgments, estimates and assumptions**

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions (collectively, "Judgments") that affect the reported amounts of income, expenses, assets and liabilities, as well as the accompanying disclosures. Management bases its Judgments on the facts and circumstances known at the time the consolidated financial statements are prepared. In the future, if facts and circumstances change and/or new information becomes available, it

## Notes to Consolidated Financial Statements (Continued)

### Section 2—Basis of Preparation (Continued)

is possible that these Judgments will need to be revised resulting in adjustments to the carrying value of Group's assets and liabilities. Any adjustment to the carrying value of the Group's assets or liabilities will affect the Group's operating results and such effect could be material.

For additional information regarding the Judgments that have the most significant impact on the consolidated financial statements of the Group, see the following:

Revenue recognition of the Non-refundable Fee	Note 2.1
Valuation of equity awards and the computation of share-based compensation	Note 3.3
Income taxes including accounting for uncertainties over income tax treatment	Note 3.4
Deferred tax accounting	Note 3.4

### 2.3 New and amendments to accounting standards

#### *Standards effective in 2020:*

The IASB issued a number of amendments to standards that became effective in 2020 ("2020 Amendments"). None of the 2020 Amendments, including the amendment to International Accounting Standard ("IAS") 1, *Presentation of financial statements* and IAS 8, *Accounting policies, changes in accounting estimates and errors* as discussed below, had an impact on the Group's financial statements.

The amendments to International Accounting Standard ("IAS") 1, *Presentation of financial statements* and IAS 8, *Accounting policies, changes in accounting estimates and errors*, to clarify the definition of materiality became effective on January 1, 2020. The clarified definition of materiality is consistent with the materiality definition used by management to prepare the Group's consolidated financial statements prior to January 1, 2020. Accordingly, the application of the clarified definition of materiality had no effect on the accompanying consolidated financial statements.

#### *Standards issued but not yet effective:*

The IASB issued new standards, amendments to standards and interpretations that become effective on or after January 1, 2021 (collectively "New Standards"). None of the New Standards are currently expected to be relevant to or have a material effect on the Group's consolidated financial statements.

### Section 3—Results for the Year

#### 3.1 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 accompanying consolidated financial statements as the Group's business activities are not organized into business units, products or geographical areas.

**Notes to Consolidated Financial Statements (Continued)****Section 3—Results for the Year (Continued)****3.2 Staff costs**

<b>Compensation to all personnel of the Group, including key management</b>	<b>Year ended December 31,</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>USD '000</b>	<b>USD '000</b>	<b>USD '000</b>
Wages and salaries(a)(b)	852	825	1,123
Social taxes and benefits	39	46	27
Share-based payments (Note 3.3)	334	2,145	6,170
<b>Total</b>	<b>1,225</b>	<b>3,016</b>	<b>7,320</b>
<b>Staff costs are included in the statement of profit or loss as follows:</b>			
Research and development costs	96	664	1,721
General and administrative costs	1,129	2,352	5,599
<b>Total</b>	<b>1,225</b>	<b>3,016</b>	<b>7,320</b>
<b>Compensation to key management personnel of the Group(b)</b>			
Wages and salaries(c)	363	324	342
Share-based payments (Note 3.3)	259	1,266	3,088
<b>Total compensation paid to key management personnel</b>	<b>622</b>	<b>1,590</b>	<b>3,430</b>

- (a) As discussed in more detail in Note 3.3, certain amounts were paid to Group personnel that were deemed to be the repurchase of equity awards, accounted for as a reduction of shareholders' equity and excluded from the amounts disclosed herein. For each of the years ended December 31, 2020, 2019 and 2018, such amounts paid to Group personnel amounted to \$147,000, \$354,000 and \$432,000, respectively.
- (b) Key management consists of the Company's Chief Executive Officer.
- (c) As discussed in more detail in Note 3.3, during each of the years ended December 31, 2020, 2019 and 2018, certain amounts were paid to key management that were deemed to be the repurchase of equity awards, accounted for as a reduction of shareholders' equity and excluded from the amounts disclosed herein. For the years ended December 31, 2020, 2019 and 2018, such amounts paid to key management amounted to \$105,000, \$253,000 and \$265,000, respectively.

See Note 6.1 for compensation paid to the members of the board of directors.

**3.3 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. Equity awards that have exercise prices in DKK have been translated to USD. Per share amounts in DKK have been updated as the result of changes in exchange rates. Accordingly, the information reported herein may differ from the amounts previously reported.

## Notes to Consolidated Financial Statements (Continued)

### Section 3—Results for the Year (Continued)

Prior to the Share Split, each ADS represented one ordinary share. At the time of the Share Split and after the subsequent Capital Reduction, each ADS represented ten ordinary shares and two ordinary shares, respectively. On December 6, 2019, a further ADS ratio change was implemented, which resulted in each ADS representing 14 ordinary shares (see Notes 1.3 and 1.4). The per share amounts disclosed herein are based on one ordinary share and therefore, the ADS ratio has no effect on the amounts disclosed herein.

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 to employees, consultants and directors of the Group. The Equity Plan currently provides for the granting of an aggregate of 9.4 million ordinary shares. 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 antidilution provisions in the event of a stock split or certain other corporate transactions. As of December 31, 2020, 8.4 million shares were available for grant under the Equity Plan. In addition, at December 31, 2020, under Danish Corporate Law, the board of directors has available for the future grant 2.1 million warrants and 17 million deferred shares (inclusive of the shares available for future grant under the Equity Plan).

During the year ended December 31, 2020, no equity awards were granted or modified.

In May 2020, equity awards representing a total of 1.4 million ordinary shares, including 194,000 deferred shares, were exercised yielding proceeds to the Company of \$2,000. The quoted fair value of an ordinary share of the Company on the date of exercise was \$0.47.

In April 2019, an option to purchase 7,200 ordinary shares (the "2019 Option") was granted to one employee at an exercise price of \$0.60 per share. The 2019 Option vests monthly over 36 months commencing on April 1, 2019.; however, the 2019 Option contains a provision whereby the holder cannot exercise prior to a defined date. Vesting and the exercise period are accelerated in the event there is a change in control, as defined in the award agreement. The terms of the 2019 Option include antidilution protection to the holder in the event there is a distribution to the shareholders as defined in the underlying award agreement. The 2019 Option expires on April 1, 2025. At the date of grant, the aggregate fair value of the 2019 Option was not material.

During September 2018, an option to purchase 7,200 ordinary shares (the "2018 Option") was granted to one employee at an exercise price of \$1.40 per share. The 2018 Option was forfeited in February 2020. The 2018 Option vested in increments as defined through September 1, 2021; however, the 2018 Option contained a provision whereby the holder could not exercise prior to a defined date. Vesting and the exercise period would accelerate in the event there is a change in control, as defined in the award agreement. The terms of the 2018 Option include antidilution protection to the holder in the event there was a distribution to the shareholders as defined in the underlying award agreement. The 2018 Option had an expiration date of August 31, 2024. At the date of grant, the aggregate fair value of the 2018 Option was not material.

During the second half of 2018, the Company's board of directors allowed two former employees to continue to hold 105,000 vested options (collectively the "2018 Vested Options") that would have otherwise been forfeited shortly after each former employee's termination date if not exercised. The exercise prices of the 2018 Vested Options ranged from 0.01 DKK to \$3.77 and the expiration dates, as stated in the underlying awards agreements, do not exceed June 19, 2023. For financial reporting purposes, allowing the former employees to hold the 2018 Vested Options to their stated expiration

**Notes to Consolidated Financial Statements (Continued)****Section 3—Results for the Year (Continued)**

dates was accounted for as a modification. The financial statement impact of allowing the former employees to hold the 2018 Vested Options to their stated expiration date was not material.

During the year ended December 31, 2018, a total of 706,000 warrants were exercised yielding proceeds to the Company of \$1,000. The quoted fair values of an ordinary share of the Company on the dates of exercise were \$1.36 with respect to 334,000 warrants and \$1.49 for the remaining warrants.

In June 2017, the Company granted options to purchase 1.7 million ordinary shares (the "June 2017 Options"), including an option to purchase 600,000 ordinary shares that was granted to the Company's Chief Executive Officer and options to purchase an aggregate of 150,000 ordinary shares that were granted to members of the Company's Board of Directors, that had an exercise price of \$2.04. Vesting is monthly over 36 months commencing on June 1, 2017; however, each award contains a provision whereby the option holder cannot exercise prior to a defined date. Vesting and/or exercise periods are accelerated under certain defined situations, including a change in control. The terms of the June 2017 Options include antidilution protection to the holders in the event there is a distribution to the Company's shareholders as defined in the underlying award agreements. As a result of the Capital Reduction and the antidilution protection, the exercise price of the June 2017 Options was decreased to the nominal value of an ordinary share and the holders were due a total cash payment of 1.9 million EUR (\$2.2 million based on the December 31, 2017 exchange rate) (referred to as the "June 2017 Award Adjustment"). The cash payments due in accordance with the June 2017 Award Adjustment were payable to the holders, pro rata, over the vesting period that ended on May 31, 2020.

The table below summarizes the amount paid in EUR (and USD equivalent) during each of the years ended December 31, 2020, 2019 and 2018 to the holders of the June 2017 Options as provided for by the June 2017 Award Adjustment:

	<b>Year Ended December 31,</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>EUR '000</b>	<b>EUR '000</b>	<b>EUR '000</b>
Total paid in EUR in accordance with June 2017 Award Adjustment	248	596	650
	<b>USD '000</b>	<b>USD '000</b>	<b>USD '000</b>
USD equivalent converted at the prevailing conversion rate	278	670	761

As of December 31, 2020, the June 2017 Options are fully vested and the Company has remitted the full amount due to the holders of the June 2017 Options in accordance with the June 2017 Award Adjustment. Since the terms of the June 2017 Option award agreements contain antidilution provisions, payments made to the holders as the result of such terms have been treated as a repurchase of equity awards and accounted for as a reduction to shareholders' equity. The June 2017 Options expire six years from the date of grant. At the date of grant, the aggregate fair value of the June 2017 Options totaled \$8.9 million.

In June 2017, the Company granted 180,000 deferred shares (the "June 2017 Deferred Shares"), including 90,000 deferred shares granted to the Company's Chief Executive Officer. Subject to meeting defined employment provisions, 100,000 of the June 2017 Deferred Shares, including 50,000 held by the Company's Chief Executive Officer, would have vested in the event there would have been a successful outcome of the Interference Proceeding, as defined in the award agreements. The balance of the June 2017 Deferred Shares vest in the event there is a successful outcome of the Opposition Proceeding as defined in the award agreements. The deferred shares that vest in the event there is a successful outcome to the Interference Proceeding expire five years from the date of grant, or earlier, in the event

## Notes to Consolidated Financial Statements (Continued)

### Section 3—Results for the Year (Continued)

of an unsuccessful outcome in the Interference Proceeding, while the remaining deferred shares expire five years from date of grant, or earlier, in the event of an unsuccessful outcome of the Opposition Proceeding. At the date of grant, the aggregate fair value of the June 2017 Deferred Shares totaled \$1.8 million. The fair value of the June 2017 Deferred Shares will be recognized as an expense within the statement of profit or loss only if such deferred shares vest. In addition, the award agreements underlying the June 2017 Deferred Shares contain provisions similar to the antidilution provisions included in the June 2017 Options. Accordingly, the antidilution provisions would have obligated the Company to remit an aggregate of 1.7 million EUR (\$2.1 million based on the December 31, 2020 exchange rate) to the holders, payable upon vesting, if all the June 2017 Deferred Shares had vested. As a result of the unsuccessful outcome of the Interference Proceeding, as discussed in Note 1.2, 100,000 deferred shares expired on January 9, 2019 when the Federal Circuit's decision became final. As of December 31, 2020, there are 80,000 June 2017 Deferred Shares outstanding. In the event that the 80,000 June 2017 Deferred Shares vest, the Company would recognize an expense of 5.4 million DKK (\$899,000 based on the December 31, 2020 exchange rate). The potential antidilution payment due to the holders of the June 2017 Deferred Shares should the Company be successful in the Opposition Proceeding, as defined, totals 777,000 EUR (\$954,000 based on the December 31, 2020 exchange rate).

During the year ended December 31, 2015, a total of 5 million stock options were granted to non-employee consultants of the Group ("Consultant Options"). 2.5 million Consultant Options had an exercise price of \$2.83 and the balance had an exercise price of \$14.13. The Consultant Options expired on May 15, 2020. The fair value of the Consultant Options was measured using the Black-Scholes model with inputs not materially different from those discussed below. The fair value of the Consultant Options was determined as services were rendered. 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 were significantly affected by actions taken by parties who are not under the control of the Group. Accordingly, the value and timing of the services received over the service period could not 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 total expense recognized in connection with the Consultant Options during each of the years ended December 31, 2019 and 2018 was \$3,000 and \$96,000, respectively. There was no expense recognized in connection with the Consultant Options during the year ended December 31, 2020.

**Notes to Consolidated Financial Statements (Continued)**
**Section 3—Results for the Year (Continued)**

The table below summarizes the activity for each of the years ended December 31, 2020, 2019 and 2018 for equity awards in the form of options and warrants and the weighted average exercise price ("WAEP"):

	Share Options and Warrants				
	Key Management Personnel(a)	Employees and Consultants	Non-Employee Consultants	Total Awards	WAEP
	No. '000	No. '000	No. '000	No. '000	
Outstanding at January 1, 2018	4,196	4,999	4,996	14,191	\$ 3.45
Granted	—	7	—	7	\$ 1.40
Exercised	(123)	(583)	—	(706)	Nil
Expired	(333)	(179)	—	(512)	Nil
Outstanding at December 31, 2018	3,740	4,244	4,996	12,980	\$ 3.77
Granted	—	7	—	7	\$ 0.60
Expired	—	(89)	—	(89)	Nil
Outstanding at December 31, 2019	3,740	4,162	4,996	12,898	\$ 3.80
Exercised	(379)	(840)	—	(1,219)	Nil
Expired or forfeited	—	(241)	(4,996)	(5,237)	\$ 8.10
Outstanding at December 31, 2020(b)	3,361	3,081	—	6,442	\$ 1.02
Exercisable at December 31, 2020	3,356	3,078	—	6,434	

(a) Includes current and former key management and current and former members of the board of directors.

(b) See Note 6.3 regarding options and warrants exercised subsequent to December 31, 2020.

The weighted average remaining contractual life of equity awards in the form of options and warrants outstanding as of December 31, 2020, 2019 and 2018 was 1.2 years, 1.4 years and 2.4 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, 2020, 2019 and 2018.

Range of exercise prices (per share)	As of December 31,		
	2020	2019	2018
	No. '000	No. '000	No. '000
\$0.0017	4,910	6,318	6,407
\$0.60 to \$1.26	141	193	186
\$2.24 to \$2.83	120	2,618	2,618
\$3.77	674	674	674
\$4.51 to \$6.92	597	597	597
\$14.13	—	2,498	2,498
Total	6,442	12,898	12,980

**Notes to Consolidated Financial Statements (Continued)**
**Section 3—Results for the Year (Continued)**

The tables below summarize the inputs to the model used to value equity awards, including modifications of equity awards, as well as the average fair value per option or warrant awarded or modified for the years ended December 31, 2019 and 2018. The table for the year ended December 31, 2020 has been intentionally omitted as there were no equity awards valued during the year.

<b>Year ended December 31, 2019</b>	
Dividend yield (%)	Zero
Expected volatility (%)	85
Risk-free interest rate (%)	2.3
Expected life of the equity award (years)	3
Share price	0.60 USD
Exercise price	0.60 USD
Model used	Black-Scholes
Basis for determination of share price	Quote on Nasdaq
Average fair value per option or warrant granted	0.33 USD

<b>Year ended December 31, 2018</b>	
Dividend yield (%)	Zero
Expected volatility (%)	73-86
Risk-free interest rate (%)	2.8 to 2.9
Expected life of the equity award (years)	2.3 to 3.3
Share price	0.53 USD to 1.30 USD
Exercise price	1.40 USD to 3.77 USD
Model used	Black-Scholes
Basis for determination of share price	Quote on Nasdaq
Average fair value per option or warrant granted	0.21 USD

The table below summarizes the deferred share activity for each of the years ended December 31, 2020 and 2019:

	<b>Deferred Shares</b>		
	<b>Key Management Personnel(a)</b>	<b>Employees and Consultants</b>	<b>Total Awards</b>
	<b>No. '000</b>	<b>No. '000</b>	<b>No. '000</b>
Outstanding at January 1, 2018 and December 31, 2018(b)	406	294	700
Forfeited	(50)	(50)	(100)
Outstanding at December 31, 2019	356	244	600
Exercised	—	(194)	(194)
Outstanding at December 31, 2020(c)	356	50	406
Exercisable at December 31, 2020	316	10	326

(a) Includes current and former key management and current and former members of the board of directors. Also see Note 6.1.



**Notes to Consolidated Financial Statements (Continued)****Section 3—Results for the Year (Continued)**

- (b) There were no deferred shares issued, exercised or forfeited during the year ended December 31, 2018
- (c) At December 31, 2020, each deferred share has an exercise price of 0.01 DKK or \$0.0017 based on the December 31, 2020 exchange rate.

Share-based compensation expense included within operating results for each of the years ended December 31, 2020, 2019 and 2018 is as follows:

	Year Ended December 31,		
	2020	2019	2018
	USD '000	USD '000	USD '000
Research and development costs	63	625	1,547
General and administrative costs	271	1,520	4,623
<b>Total</b>	<b>334</b>	<b>2,145</b>	<b>6,170</b>

**Significant Judgments**

Determining the fair value of equity awards, whether at grant date or modification date and the subsequent accounting for equity awards requires 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 or modified. 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 volatility rate used to value equity awards has been based on either peer group volatility, where the expected life of an equity award exceeds the Company's historical trading data, or the Company's volatility rate where historical trading activity of the Company equals or exceeds the expected life of an equity award. Using historical volatility rates to project future trends is a highly subjective estimate that may not necessarily be the actual outcome. The peer group, at the date of valuation, consisted 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.

**3.4 Income tax**

The major components of income tax benefit reported in the consolidated statement of profit or loss for the years ended December 31, 2020, 2019 and 2018 are as follows:

	Year Ended December 31,		
	2020	2019	2018
	USD '000	USD '000	USD '000
Current income tax benefit	—	—	161
Deferred income tax benefit	—	—	43
<b>Total income tax benefit</b>	<b>—</b>	<b>—</b>	<b>204</b>

**Notes to Consolidated Financial Statements (Continued)****Section 3—Results for the Year (Continued)**

The tax benefit recognized during the year ended December 31, 2018 of \$204,000 results in part from an adjustment relating to the prior year of \$161,000 and the balance relates to changes in deferred tax balances during the period. During each of the years ended December 31, 2020 and 2019, no tax benefit (expense) was recognized as the result of the tax loss incurred combined with no deferred tax asset recognition.

For each of the years ended December 31, 2020, 2019 and 2018, the Group has incurred losses and the Group's ability to generate taxable profits in the future is highly uncertain; therefore, temporary differences that will be available to offset taxable profits do not meet the criteria for financial statement recognition and therefore the related deferred tax assets have not been recognized.

The income tax benefit (expense) recorded for the years ended December 31, 2020, 2019 and 2018 is reconciled as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
	USD '000	USD '000	USD '000
Loss before tax	(6,449)	(4,221)	(8,926)
Tax benefit at the Company's statutory income tax rate (1)	1,419	929	1,964
<i>Adjustments:</i>			
Non-deductible expenses for tax purposes	(6)	—	(2)
Effect of higher tax rate in Germany (2)	(6)	(6)	(7)
Unrecognized deferred tax assets	(1,407)	(923)	(1,912)
Adjustment related to prior year	—	—	161
Income tax benefit reported in the statement of profit or loss	—	—	204
Effective tax rate	<u>0.0%</u>	<u>0.0%</u>	<u>2.3%</u>

(1) The statutory Danish tax rate for each of the years presented is 22%.

(2) The statutory German tax rate for each of the years presented is 31.9%.

For Danish and United States tax purposes, FP USA does not conduct a trade or business and is therefore deemed to be a disregarded entity ("Disregarded Entity"). Accordingly, FP USA is not subject to income taxes in the United States.

The income tax receivable at December 31, 2020 and 2019 of \$196,000 and \$178,000, respectively, is related to the Company's Danish tax return for the year ended December 31, 2017. Such amount is expected to be received upon the completion of the tax audit in Denmark that is discussed further below.

**Notes to Consolidated Financial Statements (Continued)****Section 3—Results for the Year (Continued)****Deferred Tax**

The unrecognized deferred tax assets at December 31, 2020 and 2019 are as follows:

	2020	2019
	USD '000	USD '000
Tax effect of tax loss carry forwards	7,997	5,770
Share-based payments	480	631
Other	7	6
Unrecognized deferred tax assets	<u>8,484</u>	<u>6,407</u>

The Group has the following unrecognized deductible temporary differences as of December 31, 2020, 2019 and 2018:

	Denmark			Germany		
	2020	2019	2018	2020	2019	2018
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Unused tax losses	15,091	6,768	4,276	14,646	13,409	13,793
Other temporary differences primarily share-based payments	2,215	2,896	2,107	—	—	—

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 8.6 million DKK (\$1.4 million based on the December 31, 2020 exchange rate) of taxable income plus 60% of taxable income above 8.6 million DKK. For German tax purposes, FP GmbH's ability to use tax loss carry forwards in any one year is limited to 100% of the first 1.0 million EUR (\$1.2 million based on the December 31, 2020 exchange rate) of taxable income plus 60% of taxable income above 1.0 million EUR. Other deductible temporary differences are not subject to any restrictions.

**Joint Taxation Groups**

During the period from January 19, 2013 to December 31, 2015, the Company was part of a Danish joint taxation group with Tech Growth Invest ApS and entities under Tech Growth Invest ApS's control (collectively "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 that the Company was part of the Danish joint taxation group with Tech Growth. On January 1, 2016, the Company became part of a new Danish joint taxation group ("2016 Tax Group") with NB FP Investment General Partner ApS and FA. Effective June 30, 2017, Operations became a member of the 2016 Tax Group and FWP IP was a member of the 2016 Tax Group for the period from June 30, 2017 through the date of the Sale (November 22, 2017). The Company, Operations and FA continue to be members of the 2016 Tax Group.

The Company is jointly and severally liable with other entities in the Tech Growth joint taxation group for Tech Growth's Danish tax liabilities while the Company was a member of Tech Growth. The Company, Operations and FA are jointly and severally liable with NB FP Investment General Partner ApS for the 2016 Tax Group's Danish tax liabilities while the Company, Operations and FA were members of the 2016 Tax Group.

## Notes to Consolidated Financial Statements (Continued)

### Section 3—Results for the Year (Continued)

#### Significant Judgments

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.

The Group exercises judgments in evaluating the appropriateness of tax filing positions under applicable tax laws that may be complex. When exercising such judgments, Management consults with professional tax advisors when establishing tax filing positions and further consults with professional tax advisors on a current basis in evaluating tax uncertainties as described further below.

#### Tax uncertainties

The Group's Danish, German and United States tax returns are subject to periodic audit by the local tax authorities and are subject to ongoing audits in Germany and Denmark. Such audits could result in the tax authorities disagreeing with the tax filing positions taken by the Group, which would expose the Group to additional taxes being assessed, including interest and penalties that could be material. The Group exercises significant judgment when determining tax filing positions. The tax rules and regulations are very complex and there can be no assurance that management's interpretation and application of these rules and regulations to determine tax filing positions will be accepted by the tax authorities. If the tax authorities reject a tax filing position taken by a Group company, it would likely have a material adverse effect on the Group's financial position and operating results. There is a risk that the tax authorities could impose additional taxable income or disallow the deductibility of expenses on intercompany cross-border transactions resulting in higher tax obligations in one or more tax jurisdictions. Management's experience has been that the tax authorities can be aggressive in taking positions that would increase taxable income and/or disallow deductible expenses. If the tax authorities are successful in increasing taxable income and/or disallowing deductible expenses in one or more jurisdictions, it would result in the Group experiencing a higher effective tax rate that could be material. Management consulted with professional tax advisors when establishing tax filing positions and believes that the tax filing positions taken are in accordance with tax regulations; however, there is always a risk that the tax authorities could disagree with the tax filing positions taken resulting in additional taxes, interest and penalty becoming due and such amount could be material. See also "Tax audits in Denmark and Germany" below.

The Company has taken the position that since FP USA meets the definition of a Disregarded Entity, it is not subject to United States federal or state income tax. In reaching this conclusion, significant judgment was used in evaluating the nature of the operations in the United States, the interpretation of the United States and Danish tax laws, and the income tax treaty between the United States and Denmark. Management believes that the tax filing positions taken in the United States and Denmark regarding FP USA are correct; however, there is always a risk that the United States or

**Notes to Consolidated Financial Statements (Continued)****Section 3—Results for the Year (Continued)**

Danish tax authorities could disagree with the tax filing positions taken resulting in additional taxes, interest and penalty becoming due and such amount could be material.

During the year ended December 31, 2017, the Company made certain cash payments (the "Deduction") to equity award holders in accordance with amendments to the Company's Article of Association that were approved by the Company's shareholders and board of directors. The Company believes the Deduction, that totaled 36.2 million EUR (\$43.4 million based on the December 31, 2017 exchange rate), represents, for tax reporting purposes, compensation for services rendered to the Company and is tax deductible for Danish tax purposes in the year ended December 31, 2017. Management believes that the tax filing position taken with regards to the Deduction is in accordance with tax regulations and that appropriate tax provisions have been made in the accompanying financial statements; however, there is always a risk that the Danish authorities could disagree with the tax filing positions taken resulting in additional taxes, interest and penalty becoming due and such amount could be material. There were similar cash payments made to equity award holders during the years ended December 31, 2020, 2019 and 2018 that totaled 248,000 EUR (\$278,000 based on the prevailing exchange rate on the date of the transaction), 596,000 EUR (\$670,000 based on the prevailing exchange rates on the dates of the transactions) and 650,000 EUR (\$761,000 based on the prevailing exchange rates on the dates of the transactions), respectively; however, such amounts are reflected herein as unrecognized deductible temporary differences at December 31, 2020, 2019 and 2018 and disclosed above as unused tax losses in Denmark.

As of December 31, 2020, the tax years that remain open for audit by the Danish, German, and United States tax authorities are as follows:

	<u>Years</u>
Denmark	2015 through 2020
Germany	2013 through 2020
United States	2015 through 2020

***Tax audits in Denmark and Germany***

Currently, the Danish and German tax authorities are conducting a joint tax audit of the Group's Danish and German tax returns covering multiple years through the year ended December 31, 2017. Conducting a joint tax audit is expected to reduce the burden and cost to the Group of undergoing two audits that address similar transactions and to accelerate the resolution of disagreements.

To date, the joint tax audit has focused on the intercompany recognition of revenue and expenses to ensure that such transactions were conducted at arm's length. It is possible that the ongoing joint tax audit could result in the Danish and German tax authorities mutually agreeing to allocate a greater portion of the Group's total 2017 taxable income to FP GmbH (referred to as the "Reallocation of Taxable Income"). If such Reallocation of Taxable Income were to occur, it could trigger a net increase in the Group's total income tax expense caused by the higher statutory tax rate in Germany of 31.9% versus Denmark's statutory tax rate of 22.0%. Effectively, the Reallocation of Taxable Income would shift taxable income to Germany that would be taxed at 31.9% while reducing taxable income in Denmark that was taxed at 22.0%. FP GmbH has available tax loss carryforwards of 11.9 million EUR (\$14.6 million based on the December 31, 2020 exchange rate) that could be used to mitigate an increase in income tax expense resulting from a Reallocation of Taxable Income. Any Reallocation of Taxable Income that is not covered by FP GmbH's tax loss carryforwards and not subject to minimum

**Notes to Consolidated Financial Statements (Continued)****Section 3—Results for the Year (Continued)**

taxation rules in Germany would result in an increase in income tax expense at a rate of approximately 10 percentage points of such amount compared to what has been recognized in the financial statements at December 31, 2020.

The Danish and German tax authorities may currently be discussing a Reallocation of Taxable Income; however, Management has determined, based on consultations with the Group's tax advisors, that it is not probable (i.e., more likely than not) that the Group will be required to pay additional taxes to the German tax authorities upon the ultimate resolution of the joint tax audit. However, such determination is inherently subjective and, if it is incorrect, then the Group may be subject to significant additional tax levies. The ultimate resolution of the joint tax audit may require that the Group incur a material outflow of cash that would negatively affect the Group's financial position, results of operations and cash holdings. If the Danish and German tax authorities mutually agree to a Reallocation of Taxable Income, the Group's only option to mitigate the increase in income tax expense would be to seek relief through litigation in Germany. If litigation in Germany were pursued, it would be time-consuming and costly and there is no assurance that the outcome of such litigation would be successful.

If the Danish and German tax authorities do not mutually agree to a Reallocation of Taxable Income, the German tax authorities could unilaterally increase the taxable income of FP GmbH, which could lead to double taxation and an increase in the Group's total income tax expense. In such case, the Group's only option to mitigate the increase in income tax expense would be to seek relief through entering into a Mutual Agreement Procedure ("MAP") comprising a government-to-government dispute resolution mechanism and/or commence litigation against the tax authorities. If relief is sought through a MAP, double taxation will be eliminated; however, there is no assurance that a MAP and/or litigation would eliminate a net increase in the Group's total income tax expense caused by a Reallocation of Taxable Income, which could be material and could result in a material outflow of cash that would negatively impact the Group's financial position, operating results, and cash holdings.

The cost to pursue litigation in Germany and/or a MAP individually, or in combination with any potential taxes, interest, and penalties due at the ultimate resolution of the litigation and/or MAP, could have a material adverse effect on the Group's financial position, operating results, and cash holdings.

The timing of the completion of the joint tax audit by the tax authorities is currently unknown.

**3.5 Net loss per share**

The following reflects the net loss attributable to ordinary shareholders and share data used in the basic and diluted net loss per share computations for each of the years ended December 31, 2020, 2019 and 2018:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
	USD	USD	USD
Net loss attributable to ordinary shareholders of the Company used for computing basic and diluted net loss per share	(6,449)	(4,221)	(8,722)
Weighted average number of ordinary shares used for basic and diluted per share amounts	95,997	95,074	94,671
Net loss per share basic and diluted	<u>(0.07)</u>	<u>(0.04)</u>	<u>(0.09)</u>

**Notes to Consolidated Financial Statements (Continued)****Section 3—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. Since the Group has incurred losses for each of the years ended December 31, 2020, 2019 and 2018, the potential shares issuable related to outstanding deferred shares, options and 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 amounts are the same for each period presented. As of December 31, 2020, 2019 and 2018, options, warrants and deferred shares that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted amounts per share because they are anti-dilutive, were 6.8 million, 13.5 million and 13.7 million, respectively. See Note 3.3.

The share and per share information disclosed above is based on the number of outstanding ordinary shares of the Company and not the number of ADSs outstanding. Therefore, the number of ADSs outstanding has no effect on the share or per-share information disclosed throughout these consolidated financial statements. See Notes 1.3, 1.4 and 5.1.

**Section 4—Operating Assets and Liabilities****4.1 Prepaid expenses**

	December 31,	
	2020	2019
	USD '000	USD '000
Insurance	329	286
Other	8	6
<b>Total</b>	<b>337</b>	<b>292</b>

**4.2 Other receivables**

	December 31,	
	2020	2019
	USD '000	USD '000
Value added tax receivables ("VAT")	91	94
Other receivables	—	1
<b>Total</b>	<b>91</b>	<b>95</b>

**4.3 Accrued liabilities**

	December 31,	
	2020	2019
	USD '000	USD '000
Professional advisors	339	294
Other	255	220
<b>Total</b>	<b>594</b>	<b>514</b>

**Notes to Consolidated Financial Statements (Continued)****Section 5—Capital Structure and Financial Risk and Related Items****5.1 Equity and Capital Management*****Share capital***

The following table summarizes the Company's ordinary share activity for each of the years ended December 31, 2020 and 2018:

	<b>Ordinary shares (a)</b>
	<b>No. '000</b>
January 1, 2018	94,368
Exercise of warrants for cash	706
December 31, 2018 and 2019 (b)	95,074
Exercise of deferred shares, options and warrants for cash	1,414
December 31, 2020 (c)	96,488

(a) See Notes 1.3, 1.4 and 3.5.

(b) There were no changes in the outstanding ordinary shares during the year ended December 31, 2019.

(c) See Note 6.3 regarding options and warrants exercised subsequent to December 31, 2020.

Holders of ADSs are not entitled to vote while holders of ordinary shares are entitled to one vote per share.

The nominal value of an ordinary share of the Company is 0.01 DKK.

During the year ended December 31, 2020, a total of 1.4 million equity awards were exercised yielding proceeds to the Company of \$2,000. See Note 3.3.

During the year ended December 31, 2018, a total of 706,000 warrants were exercised yielding proceeds to the Company of \$1,000. See Note 3.3.

Except for the Capital Reduction, the Company has never distributed funds to shareholders in any form, including dividends, and currently there are no plans to distribute funds to shareholders in the future.

***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 an adequate capital base so as to maintain investor, creditor and market confidence that the Group will continue as a going concern. 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 of the Group. As of December 31, 2020, the Group held cash and cash equivalents totaling \$79.1 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 beyond the year ending December 31, 2021. Unforeseen events could negatively affect the Group's ability to fund planned operations in the future.



**Notes to Consolidated Financial Statements (Continued)****Section 5—Capital Structure and Financial Risk and Related Items (Continued)**

The Group currently has no significant planned capital expenditures nor are there plans to make cash distributions to shareholders.

**5.2 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 management, could have a material effect on the Group's financial position and operating results. The known risks include foreign currency and credit risk and there could be other risks currently unknown to management. The Group historically has not hedged its financial risks and has no plans to do so in the future.

**Foreign Currency**

The Group maintains operations in Denmark, Germany and the United States that use the DKK, the EUR and the USD as their functional currencies, respectively. The Group conducts cross border transactions where the functional currency is not always used. The Company and Operations, whose functional currency is the DKK, hold significant cash deposits denominated in EUR and USD. Accordingly, future changes in the exchange rates of the DKK, the EUR and/or the USD 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, 2020, 2019 and 2018, the impact on the Group's statement of profit or loss of possible changes in the USD and EUR exchange rates against the Group's functional currencies, USD, DKK and EUR, would be as follows.

Currency	Possible change	2020	2019	2018
		USD '000	USD '000	USD '000
USD	+/-10%	+2,747/-2,747	+2,853/-2,853	+3,064/-3,064
EUR	+/-2%	+897/-897	+934/-934	+985/-985

**Credit Risk**

The Group's management manages credit risk on a group basis. The Group's credit risk is associated with cash and cash equivalents held in banks. The Group's investment policy is to collect contractual cash flows and preserve capital by either maintaining cash deposits in highly rated banks or investing in a diversified group of highly rated debt instruments. The Group does not trade financial assets for speculative purposes.

As of December 31, 2020 and 2019, the cash and cash equivalents of the Group are held primarily at two banks that currently have Moody's long-term deposit ratings of Aa2 and Aa3, respectively.

**5.3 Other finance (expense) income**

Other finance (expense) income primarily includes interest income on USD cash holdings offset by bank charges (negative interest) related to DKK and EUR cash holdings.

**5.4 Financial assets and liabilities**

The Group's financial assets and liabilities include other receivables and trade payables, respectively. Such amounts are carried at amortized costs using the effective interest rate method. The

**Notes to Consolidated Financial Statements (Continued)****Section 5—Capital Structure and Financial Risk and Related Items (Continued)**

carrying value of other receivables and trade payables is deemed to be their fair value based on payment terms that generally do not exceed 30 days.

**Section 6—Other Disclosures****6.1 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 Note 6.2 for an additional related party.

A director of the Company is a partner at the law firm that provides Danish legal services to the Group. Remuneration paid to the law firm 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 the law firm.

On October 10, 2016, a member of the Company's board of directors entered into a four-year consulting agreement with the Company. The consulting agreement provided for the granting of deferred shares ("Deferred Shares") as the director's full compensation for the performance of services as defined in the consulting agreement. The Deferred Shares vested in equal increments annually over a four-year period that ended on October 10, 2020. As of December 31, 2020, the Deferred Shares total 121,000. Share-based remuneration recognized in the accompanying consolidated financial statements in connection with the Deferred Shares is referred to in the table 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, Operations, FA and FWP IP. See Note 3.4 for additional information.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year or as of yearend. All amounts disclosed in the table below exclude VAT:

	<b>Year ended or as of December 31,</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>USD '000</b>	<b>USD '000</b>	<b>USD '000</b>
Purchase of services from NB	77	73	76
Danish Legal Services	273	233	396
Consulting Services	14	35	71
Amounts owed to related parties	4	Nil	113
Amounts owed by related parties	—	—	—

The above table excludes the related party transaction disclosed in Note 6.2.

***Terms and conditions of transactions with related parties***

Amounts due to related parties represent trade payables that are uncollateralized, interest free and payable within 30 days of receipt of invoice. There have been no guarantees provided or received for any related party receivables or payables.

## Notes to Consolidated Financial Statements (Continued)

### Section 6—Other Disclosures (Continued)

#### *Transactions with key management*

The Group has not granted any loans, guarantees, or other commitments to or on behalf of any key management personnel.

Other than the remuneration including share-based payment relating to key management personnel described in Notes 3.2 and 3.3, no other transactions have taken place with key management personnel during the periods presented herein.

#### *Compensation paid to the members of the board of directors*

Compensation to members of the Company's board of directors, excluding non-cash share-based compensation, totaled \$60,000 in each year of the three-year period ended December 31, 2020. Share-based compensation paid to members of the Company's board of directors for each of the years ended December 31, 2020, 2019 and 2018 totaled \$9,000, \$117,000 and \$495,000, respectively. As discussed in more detail in Note 3.3, during each of the years ended December 31, 2020, 2019 and 2018, certain amounts were paid to warrant and option holders, including members of the board of directors, that were deemed to be a repurchase of equity awards, and accounted for as a reduction to shareholders' equity. The compensation to members of the Company's board of directors disclosed above, excludes \$26,000, \$63,000 and \$65,000 that were deemed to be a repurchase of equity awards during each of the years ended December 31, 2020, 2019 and 2018, respectively.

### 6.2 Commitments and contingent liabilities

#### *Commitments*

For each of the years ended December 31, 2020, 2019 and 2018, the Group recognized expenses of \$92,000, \$88,000 and \$102,000, respectively, in connection with the leased office space. For each of the years ended December 31, 2020, 2019 and 2018, the cash outflow for the leased office space was equal to the recognized expense for the respective year. As of December 31, 2020, the remaining obligation for leased office space totaled \$53,000 which is payable during the year ending December 31, 2021.

The Company has a non-cancellable service agreement that requires annual payments of \$2,000 through May 2022.

See Note 1.1 regarding the Annual Funding obligation to FWP IP.

As of December 31, 2020 and 2019, the other non-current asset is the rent security deposit on leased office space.

#### *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. See Note 3.4 for tax uncertainties.

In 2004, a private company Aditech Pharma AB (together with its successor-in-interest 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 (the "Transfer Agreement") that

## Notes to Consolidated Financial Statements (Continued)

### Section 6—Other Disclosures (Continued)

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. In connection with the License Agreement, the Company and Aditech executed an addendum to the Transfer Agreement (the "Addendum"). The Addendum clarified certain ambiguities with respect to the compensation due to 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 receives 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. If royalties are paid to the Company in accordance with the License Agreement, 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). Aditech is considered to be a related party of the Company due to control over Aditech by NB. The \$25 million due to Aditech in accordance with the Addendum and in connection with the Company's receipt of the Non-refundable Fee was paid during May 2017.

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 (\$4.7 million based on the December 31, 2020 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 proceeding 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.

### 6.3 Events after the reporting period

Subsequent to December 31, 2020, there were no events that are required to be reported except for the postponement of the Opposition Proceeding hearing to September 6, 2021, as discussed in Note 1.2, and the exercise of options and warrants representing 1.8 million ordinary shares at a per share exercise price of 0.01 DKK (\$0.0017 based on the December 31, 2020 exchange rate).



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**

<b>1</b>	<b>NAVN OG FORMÅL</b>	<b>NAME AND OBJECTS</b>
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.
<b>2</b>	<b>AKTIEKAPITAL OG AKTIER</b>	<b>SHARE CAPITAL AND SHARES</b>
2.1	Selskabets aktiekapital udgør nominelt kr. 982.644,29, fordelt i aktier à nominelt kr. 0,01 eller multipla heraf.	The company's nominal share capital is DKK 982,644.29, divided into shares of DKK 0.01 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.

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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.
<b>3</b>	<b>UDSTEDELSE AF WARRANTS OG FORHØJELSE AF AKTIEKAPITALEN</b>	<b>ISSUE OF WARRANTS AND INCREASE OF THE SHARE CAPITAL</b>
	<b>Warrants til medarbejdere m.v.</b>	<b>Warrants to employees etc.</b>
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 <u>bilag 1</u> , 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 <u>appendix 1</u> 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

3.2 Bestyrelsen er i perioden indtil 1. maj 2024 bemyndiget til, ad én eller flere gange, uden fortegningsret for selskabets eksisterende aktionærer, at udstede op til 53.400.000 warrants (hvoraf 51.261.480 allerede er udstedt forud for bemyndigelsens forlængelse den 7. maj 2019), der hver giver ret til at tegne en aktie á nominelt DKK 0,01, 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, det vil sige op til 53.400.000 aktier á nominelt DKK 0,01. 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

any pre-emption rights for the company's shareholders.

In the period until 1 May 2024, the board of directors is authorized, in one or more rounds, without pre-emption rights for the company's existing share-holders, to issue up to 53,400,000 warrants (of which 51,261,480 have already been issued prior to the extension of the authorization on 7 May 2019), which each entitles the holder to subscribe for one share of nominally DKK 0.01, 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, i.e. up to 53,400,000 shares of nominally DKK 0.01 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



	med bestyrelsens udnyttelse af bemyndigelsen.	can be issued by the board of directors according to the authorization, shall be fixed by the board of directors.
3.3	<p>For aktier udstedt på baggrund af bemyndigelsen i punkt 3.2 skal i øvrigt gælde:</p> <p><u>at</u> der ikke kan ske delvis indbetaling,</p> <p><u>at</u> tegningen af aktier foretages uden fortegningsret for de eksisterende aktionærer,</p> <p><u>at</u> aktierne skal tegnes ved kontant indbetaling,</p> <p><u>at</u> aktierne skal være ikke-omsætningspapirer,</p> <p><u>at</u> aktierne skal lyde på navn og noteres i selskabets ejerbog, og</p> <p><u>at</u> aktierne i øvrigt i enhver henseende har samme rettigheder som de eksisterende aktier.</p> <p>Bestyrelsen kan foretage de ændringer i selskabets vedtægter, der måtte være en følge af kapitalforhøjelsen.</p>	<p>For shares issued pursuant to the authorization in article 3.2 the following shall apply:</p> <p><u>that</u> no partial payment may take place;</p> <p><u>that</u> the subscription shall be effected without pre-emption rights of the existing shareholders;</p> <p><u>that</u> the shares shall be subscribed for against payment of cash;</p> <p><u>that</u> the shares shall be non-negotiable instruments</p> <p><u>that</u> 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</p> <p><u>that</u> the shares in every respect shall carry the same rights as the existing shares.</p> <p>The board of directors is entitled to make such amendments to the articles of association as may be required as a result of the capital increase.</p>
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 vedtægterne]	[Moved to clause 1.4 of appendix 2 to the articles of association]
3.3E	<p>Uanset modstridende bestemmelser og vilkår i vedtægternes 3.1-3.3 og bilag 1 og 2, skal der foretages de i <u>bilag 3</u> anførte justeringer af vilkårene for de i bilag 3 nævnte udstedte warrants i selskabet og kontant kompensation af disse warrantindehavere som følge af de ændringer i selskabets kapitalforhold, der blev vedtaget på Selskabets ekstraordinære generalforsamling den 2. august 2017.</p> <p>De i bilag 3 anførte principper for justering og kompensation finder tilsvarende anvendelse på de af selskabet udstedte “deferred share awards” før, og som stadig er i kraft, den 2. august 2017, uanset at disse optioner ikke er forankret i selskabets vedtægter.</p> <p>Enhver justering i henhold til dette punkt 3.3E er dog betinget af forudgående kontraktuelt samtykke fra indehaveren af de berørte warrants og deferred share awards.</p> <p><b>Aktier til medarbejdere m.v.</b></p>	<p>Irrespective of anything to the contrary set out in the provisions of articles 3.1-3.3 and appendices 1 and 2 to the company’s articles of associations, <u>appendix 3</u> hereto prescribes the adjustments to be made to the terms governing the warrants specified in appendix 3 and the cash compensation of such warrant holders due to the changes in the company’s capital structure resolved on the company’s extraordinary general meeting on 2 August 2017.</p> <p>The principles for adjustment and compensation set out in appendix 3 shall equally apply to the “deferred share awards” granted by the company prior to, and still in force on, the 2 August 2017, regardless of these awards not being embedded in the company’s articles of association.</p> <p>Any adjustment pursuant to this article 3.3E is, however, subject to the prior contractual consent of the holder of the affected warrants and deferred share awards.</p> <p><b>Shares to employees etc.</b></p>

- 3.4 Bestyrelsen er i perioden indtil 1. maj 2024 bemyndiget til uden fortegningsret for selskabets eksisterende aktionærer at forhøje selskabets aktiekapital, ad en eller flere omgange, med op til nominelt DKK 214.000, det vil sige op til 21.400.000 aktier á nominelt DKK 0,01, 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 May 2024, 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, i.e. up to 21,400,000 shares of nominally DKK 0.01 each, 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

at aktierne i øvrigt i enhver henseende har samme rettigheder som de eksisterende aktier.

Bestyrelsen kan foretage de ændringer i selskabets vedtægter, der måtte være en følge af kapitalforhøjelsen.

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

that the shares in every respect shall carry the same rights as the existing shares.

The board of directors is entitled to make such 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.

3.5C Bestyrelsen har den 7. maj 2020 udnyttet den i punkt 3.4 og 3.5 indeholdte bemyndigelse til at forhøje selskabets aktiekapital ved at udstede 194,311 aktier a nominelt DKK 0,01 i alt nominelt DKK 1.943,11. Den resterende del af bemyndigelsen udgør

The board of directors has on May 7, 2020 exercised the authorization included in articles 3.4 and 3.5 to increase the share capital of the company by issue of 194,311 shares of nominally DKK 0.01 each, in total nominally DKK 1,943.11. Following

herefter nominelt DKK 183.626,39 aktier.

this, the remaining part of the authorization amounts to nominally DKK 183,626.39 shares.

### Øvrige kapitalforhøjelser

### Other capital increases

3.6 Bestyrelsen er indtil 1. maj 2024 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 i alt op til 100.000.000 aktier á nominelt DKK 0,01 til en kurs fastsat af bestyrelsen, der kan være lavere end markedskursen.

The board of directors is authorised in the period until 1 May 2024 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 by issuance of up to 100,000,000 shares of DKK 0.01 each 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 amendments to the articles of association as may be required as a result of the capital increase.

#### **IPO aktier**

3.8 [Slettet]

#### **IPO shares**

[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. maj 2024 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

In the period until 1 May 2024, 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

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 2 (svarende til antallet af underliggende 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.

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 2 (equalling 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 Depositary Shares.

## 5 GENERALFORSAMLINGEN, AFHOLDESESSTED 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.
- 5.2 Selskabets generalforsamlinger afholdes i Region Hovedstaden, Danmark.
- 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.
- 5.4 Ekstraordinær generalforsamling afholdes, når bestyrelsen eller revisor

The general meeting has the supreme authority in all matters relating to the company subject to law and these articles of association.

The general meetings of the company shall be held in the Capital Region of Denmark.

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.

Extraordinary general meetings shall be held when determined by the board

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forlanger det. Ekstraordinær generalforsamling skal endvidere afholdes, når det forlanges af aktionærer, der tilsammen ejer mindst fem procent af aktiekapitalen. Sådant 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 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 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 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.
- 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 forslaget væsentligste indhold angives i indkaldelsen. Indkaldelse til generalforsamlingen, hvor der skal træffes beslutning efter

General meetings shall be convened by the board of directors with at 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.

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

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	selskabslovens § 77, stk. 2, § 92, stk. 1 eller 5, eller § 107, stk. 1 eller 2, skal indeholde den fulde ordlyd af forslaget.	(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	(a) The notice convening the general meeting;
	(b) Det samlede antal aktier og stemmerettigheder på datoen for indkaldelsen	(b) The total number of shares and voting rights on the date of the notice;
	(c) De dokumenter, der skal fremlægges på generalforsamlingen	(c) The documents to be presented at the general meeting;
	(d) Dagsordenen og de fuldstændige forslag samt for den ordinære generalforsamlings vedkommende tillige revideret årsrapport	(d) The agenda and the complete proposals as well as, for annual general meetings, the audited annual report;
	(e) De formularer, der skal anvendes ved stemmeafgivelse pr. fuldmagt eller skriftligt ved brevstemme.	(e) The forms to be used for voting by proxy or voting by correspondence.
<b>6</b>	<b>DAGSORDEN FOR DEN ORDINÆRE GENERALFORSAMLING, DIRIGENT og PROTOKOL</b>	<b>AGENDA FOR THE ANNUAL GENERAL MEETING, CHAIRMAN AND PROTOCOL</b>
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 selskabets virksomhed i det forløbne regnskabsår	(a) The board of directors' report on the company's activities in the past financial year;
	(b) Fremlæggelse og godkendelse af revideret årsrapport	(b) Presentation and adoption of the audited annual report;
	(c) Anvendelse af overskud eller dækning af underskud i henhold til den godkendte årsrapport	(c) Distribution of profit or covering of loss according to the adopted annual report;
	(d) Meddelelse af decharge til bestyrelsen og direktionen	(d) Discharge of the board of directors and the management board;
	(e) Valg af medlemmer til bestyrelsen	(e) Election of members to the board of directors;
	(f) Valg af revisor	(f) Appointment of auditor;
	(g) Eventuelle forslag fra bestyrelse og aktionærer	(g) Any proposals from the board of directors or shareholders;
	(h) Eventuelt	(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.
<b>7</b>	<b>AKTIONÆRERNES MØDE- OG STEMMERET PÅ GENERALFORSAMLINGEN</b>	<b>SHAREHOLDERS' ATTENDANCE AND VOTING RIGHTS AT THE GENERAL MEETING</b>
7.1	En aktionærs ret til at deltage i en generalforsamling og til at afgive stemme fastsættes i forhold til de	The right of a shareholder to attend and vote at a general meeting is determined by the shares held by the shareholder

	aktier, aktionæren besidder på registreringsdatoen. Registreringsdatoen ligger en uge før generalforsamlingen. De aktier, den enkelte aktionær besidder, opgøres på registreringsdatoen på baggrund af notering af aktionærens ejerforhold i ejerbogen samt eventuelle meddelelser om ejerforhold, som selskabet har modtaget med henblik på indførelse i ejerbogen, men som endnu ikke er indført i ejerbogen.	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 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	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.

- generalforsamlingen. Brevstemmer kan ikke tilbagekaldes.
- 7.6 Hvert aktiebeløb på nominelt kr. 0,01 giver én stemme.
- 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.

## **8 BESLUTNINGER PÅ GENERALFORSAMLINGEN**

- 8.1 De på generalforsamlingen behandlede anliggender afgøres ved simpelt stemmeflertal blandt afgivne stemmer, medmindre andet følger af lovgivningen eller disse vedtægter.
- 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.

## **9 ELEKTRONISK KOMMUNIKATION**

- 9.1 Al kommunikation fra selskabet til de enkelte aktionærer, herunder

Votes by correspondence cannot be withdrawn.

Each share of the nominal value of DKK 0.01 shall carry one vote.

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.

## **RESOLUTIONS AT GENERAL MEETINGS**

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.

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.

## **ELECTRONIC COMMUNICATION**

All communication from the company to the individual shareholders, including

	<p>notices convening general meetings, may take place electronically by posting on the company's website or by email. General notices shall be 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.</p>
<p>9.2 Kommunikation fra aktionærer til selskabet kan ske ved e-mail eller med almindelig post.</p>	<p>Communication from a shareholder to the company may take place by email or by ordinary post.</p>
<p>9.3 Selskabet anmoder de navnenoterede aktionærer om en e-mail 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.</p>	<p>The company shall request all shareholders registered by name to 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.</p>
<p>9.4 Oplysninger om kravene til anvendte systemer samt om fremgangsmåden ved elektronisk kommunikation findes på selskabets hjemmeside, <a href="http://www.forward-pharma.com">www.forward-pharma.com</a>.</p>	<p>The company's website, <a href="http://www.forward-pharma.com">www.forward-pharma.com</a>, contains information about system requirements and electronic communication procedures.</p>
<p><b>10 BESTYRELSEN</b></p>	<p><b>BOARD OF DIRECTORS</b></p>
<p>10.1 Bestyrelsen varetager den overordnede ledelse af selskabet.</p>	<p>The board of directors shall be in charge of the overall management of the company.</p>

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.

<b>11</b>	<b>DIREKTIONEN</b>	<b>EXECUTIVE MANAGEMENT</b>
11.1	Bestyrelsen ansætter en direktion bestående af ét til tre medlemmer til at varetage den daglige ledelse af selskabet.	The board of directors appoints a management board consisting of one to three members to be in charge of the day-to-day management of the company.
<b>12</b>	<b>TEGNINGSREGEL</b>	<b>RULES OF SIGNATURE</b>
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.
<b>13</b>	<b>REVISION</b>	<b>AUDIT</b>
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.
<b>14</b>	<b>REGNSKAB</b>	<b>ACCOUNTS</b>
14.1	Selskabets regnskab er kalenderåret.	The company's financial year follows the calendar year.
14.2	Selskabets årsrapport udarbejdes og aflægges på engelsk.	The company's annual report is prepared and presented in English.
<b>15</b>	<b>BILAG</b>	<b>APPENDICES</b>
15.1	Bilag 1: Warrant Vilkår	Appendix 1: Warrants Terms

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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**

<b>1</b>	<b>WARRANTS</b>	<b>WARRANTS</b>
1.1	[Slettet]	[Deleted]
1.2	[Slettet]	[Deleted]
1.3	[Slettet]	[Deleted]
1.4	[Slettet]	[Deleted]
1.5	[Slettet]	[Deleted]
1.6	<p>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.</p> <p>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:</p>	<p>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.</p> <p>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:</p>

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- (i) Uanset punkt 2.1.4 skal de omhandlede warrants anses for tildelt den 1. december 2012.
  - (ii) Uanset punkt 2.2.1, 1. og 2. punktum, optjenes de omhandlede 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:
    - (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 er af væsentlig betydning for selskabets virksomhed og formål, herunder immaterielle rettigheder relateret til lægemidler omfattende dimethylfumarate.
- (i) Irrespective of clause 2.1.4, the warrants shall be deemed granted on 1 December 2012.
  - (ii) Irrespective of clause 2.2.1, first and second paragraph, the 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) 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) 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 "third party"



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.

- (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.
- (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).
- (v) Punkt 2.4 erstattes af følgende:
  - (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

shall not include an investment fund or other investment vehicle managed directly or indirectly by Florian Schönharting.

- (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 November 2018 the warrants shall lapse without any further notice and without 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 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.

misligholdelse, bortfalder alle, både optjente og ikke-optjente, warrants automatisk og uden kompensation.

- (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

- (c) In case of the warrant holder's termination of the employment or engagement with the company, all warrants that have not 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.

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.

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.

1.7 [Slettet]

1.8 [Slettet]

1.9 [Slettet]

1.10 [Slettet]

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, corresponding to DKK 8.41424 per share of nominally DKK 0.10.

[Deleted]

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1.11	[Slettet]	[Deleted]
1.12	[Slettet]	[Deleted]
1.13	<p>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.</p> <p>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 udnyttelse af de omhandlede warrants i henhold til dette punkt 1.13:</p> <ul style="list-style-type: none"> <li>(i) Uanset punkt 2.1.4 skal de tildelte warrants anses for tildelt den 1. juni 2016.</li> <li>(ii) Uanset punkt 2.2 skal de tildelte warrants være fuldt optjent på tildelingstidspunktet.</li> <li>(iii) warrantmodtageren kan udnytte de tildelte warrants i tilfælde af en Change of Control Event (som</li> </ul>	<p>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.</p> <p>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 warrants under this clause 1.13:</p> <ul style="list-style-type: none"> <li>(i) Irrespective of clause 2.1.4, the warrants shall be deemed granted on 1 June 2016.</li> <li>(ii) Irrespective of clause 2.2, the warrants shall be fully vested on the grant date.</li> <li>(iii) The warrant holder may in the event of a Change of Control Event (as defined below) exercise all warrants. Clause 2.6.6</li> </ul>

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 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 investeringselskab, der direkte eller indirekte er ledet af Florian

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 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.

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 warrantmodtageren er i besiddelse af på tildelingstidspunktet, udnyttes på et hvilket som helst tidspunkt.
- (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 opsigelsen automatisk og uden kompensation. Warrants, der er optjent ret til berøres ikke af opsigelsen.

- (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:
  - (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.
  - (b) In case of termination of the employment or engagement with

- (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.
- (e) Ved warrantmodtagerens død bortfalder alle ikke-optjente
- 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 (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.
- (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 holder's rights and obligation vis-à-vis all vested warrants,

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.

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,

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 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.

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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.

## 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").

### 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

## 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").

### 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



og den eventuelle ejerftale, 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 ejerftalen m.v.

2.1.3 Warrants kan tegnes af Modtageren i en periode på indtil 2 uger efter, 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 Modtager.

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.

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 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 the Holder will lapse.

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

- 2.2.1 1.4 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.
- 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.
- 2.2.3 Optjeningen af Warrants påvirkes ikke af lovreguleret orlov.

## 2.3 BETINGELSER OG FREMGANGSMÅDE FOR UDNYTTELSE AF WARRANTS

- 2.3.1 1.5 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

## VESTING OF SHARES

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.

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.

The vesting of Warrants shall not be influenced by leave of absence regulated by law.

## CONDITIONS AND PROCEDURE FOR THE EXERCISE OF THE WARRANTS

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

	<p>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.</p>
<p>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.</p>	<p>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.</p> <p>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.</p>
<p>2.3.3 Hvis Modtageren ønsker at udnytte sine optjente Warrants, skal 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.</p>	<p>If the Holder wishes to exercise the vested Warrants, the Holder shall 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.</p>
<p>2.3.4 1.6 Senest syv (7) dage efter meddelelsen om tegning skal Modtageren kontant, ved bankgaranteret check eller på anden af Selskabet foreskreven måde</p>	<p>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 the Company</p>

	<p>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.</p>
<p>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.</p>	<p>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.</p> <p>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.</p>
<p>2.3.6 Warrants, der ikke er udnyttet ved Udnyttelsesperiodens udløb, bortfalder uden yderligere varsel og uden kompensation.</p>	<p>Warrants that are not exercised at the expiration of the Exercise Period will lapse without any further notice and without compensation.</p>
<p><b>2.4 OPHØR AF MODTAGERENS FORHOLD TIL SELSKABET</b></p>	<p><b>TERMINATION OF THE HOLDER'S RELATIONS WITH THE COMPANY</b></p>
<p><i>Selskabets opsigelse af Modtagerens ansættelsesforhold i eller tilknytning til Selskabet</i></p>	<p><i>The Company's Termination of the Holder's Employment or Engagement with the Company</i></p>
<p>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</p>	<p>If the Company terminates the Holder's employment or engagement with the Company without cause (<i>in Danish: misligholdelse</i>) on the part of the Holder, the Holder shall have a right to exercise vested, not exercised Warrants</p>

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.

*Modtagerens opsigelse af ansættelsesforholdet i eller tilknytning til Selskabet*

- 2.4.2 I tilfælde af Modtagerens opsigelse af ansættelsesforholdet i Selskabet eller 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

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.

*The Holder's Termination of the Employment or Engagement with the Company*

In case of the Holder's termination of the employment or engagement with 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

kompensation.

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.

*Selskabets/Modtagerens opsigelse af ansættelsesforholdet i eller tilknytning til Selskabet som følge af Modtagerens misligholdelse af sine forpligtelser*

- 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 udnyttet på det tidspunkt, hvor misligholdelsen sker uden yderligere varsel og uden kompensation.

*Ophør ved Modtagerens død*

- 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

without compensation.

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.

*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*

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 notice and without compensation.

*Termination at the Death of the Holder*

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

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.

*Ophør ved Modtagerens aldersbetinget pensionering eller invaliditet*

- 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 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.

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.

*Termination at the Holder's Age related Retirement or Invalidity*

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) 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**

- 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.
- 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.
- 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).
- 2.5.4 Såfremt Selskabets aktiekapital nedsættes for at dække underskud,

**ADJUSTMENT OF THE WARRANTS IN CASE OF CHANGES OF THE COMPANY'S CAPITAL**

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.

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.

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).

In case the Company's share capital is reduced to cover a deficit (*in Danish:*



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.

## 2.6 VILKÅR VED LIKVIDATION, FUSION, SPALTNING OG SALG ELLER OMBYTNING AF AKTIEMAJORITETEN

### *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.

### *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

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.

## TERMS IN CASE OF LIQUIDATION, MERGER, DEMERGER AND TRADE SALE OR SWAP OF THE SHARE MAJORITY

### *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.

### *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

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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.

### *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 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.

### *Salg eller ombytning af aktiemajoriteten*

- 2.6.4 Såfremt mere end halvdelen af

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.

### *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 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.

### *Trade Sale or Swap of the Share Majority*

If more than half of the share capital

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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.

*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 sker på grundlag af en værdiansættelse af Selskabet forud for transaktionen på mindst DKK 400

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.

*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 majority is based on a valuation of the Company prior to the transaction of at least DKK 400

millioner (pre-money valuation).

*Meddelelse om udnyttelse af Warrants ved likvidation, fusion, spaltning og salg eller ombytning af aktiemajoriteten*

- 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.

## **2.7 OVERDRAGELSE OG PANTSÆTNING AF WARRANTS**

- 2.7.1 Warrants er personlige og kan hverken sælges, bortgives, pantsættes eller på anden måde overdrages til tredjemand, frivilligt eller ved udlæg.

## **2.8 VILKÅR FOR AKTIER TEGNET PÅ GRUNDLAG AF 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 ejerftale, jf. pkt. 2.1.2. Aktierne skal

million (pre-money valuation).

*Notification regarding Exercise of Warrants in Case of Liquidation, Merger, Demerger, and Trade Sale or Swap of the Share Majority*

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.

## **TRANSFER AND PLEDGING OF THE WARRANTS**

The Warrants are personal and cannot be sold, given away, pledged or transferred in any other way to a third party, whether voluntarily or by court order.

## **CONDITIONS FOR SHARES SUBSCRIBED FOR PURSUANT TO WARRANTS**

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

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.

- 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.

## **2.9 SKATTEMÆSSIGE FORHOLD**

- 2.9.1 Alle skattemæssige konsekvenser for Modtageren som følge af Warrants og den efterfølgende udnyttelse heraf er Selskabet uvedkommende.

## **2.10 VOLDGIFT**

- 2.10.1 Vilkårene for Warrants skal reguleres og fortolkes i overensstemmelse med dansk ret.
- 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

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.

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.

## **TAX CONSEQUENCES**

Any tax consequences for the Holder caused by the Warrants and the subsequent exercise hereof shall be of no concern of the Company.

## **ARBITRATION**

The terms for Warrants shall be governed by and construed in accordance with Danish law.

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.

## 2.11 ØVRIGE BESTEMMELSER

- 2.11.1 Warrants skal ikke medregnes ved opgørelsen af feriepenge, fratrædelsesgodtgørelse, godtgørelse eller kompensation fastsat ved lov, pension og lignende.
- 2.11.2 I tilfælde af uoverensstemmelser mellem den danske og engelske version af disse vilkår, skal den danske version være gældende og have forrang.

## 3 GENERELLE VILKÅR FOR KAPITALFORHØJELSER

- 3.1 Udover de under punkt 1 anførte vilkår for de til de udstedte Warrants hørende kontante kapitalforhøjelser gælder følgende vilkår:

Arbitration).

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.

## OTHER CONDITIONS

The Warrants shall not be a part of the calculation of holiday pay, severance pay, mandatory compensation, and pension or similar.

In case of inconsistency between the Danish and English version of these terms, the Danish version shall prevail and be given priority.

## GENERAL TERMS FOR CAPITAL INCREASES

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,
  - 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,
  - De nye aktier skal tilhøre samme aktieklasse som selskabets eksisterende aktiekapital,
  - 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 bestyrelsen,
  - Der skal ikke gælde indskrænkninger i den til de nye aktier knyttede fortegningsret ved fremtidige kapitalforhøjelser,
  - Fristen for tegning af de nye aktier beregnes på baggrund af de i punkt 2 indeholdte bestemmelser
- The new shares will be divided into shares of nominally DKK 0.10 or multiples hereof;
  - 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;
  - The new shares shall belong to the same share class as the company's existing shares;
  - 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 board of directors of the company or its subsidiary;
  - The pre-emption rights attached to the new shares shall not be subject to any restrictions in the event of future capital increases;
  - The deadline for subscription of the new shares shall be calculated pursuant to the provisions in clause 2;

herom,

- 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
- De nye aktier skal lyde på navn og være ikke-omsætningspapirer,

De anslåede omkostninger, der skal afholdes af selskabet ved hver kapitalforhøjelse, udgør DKK 10.000 + moms.

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Seneste ændring af vedtægterne, inklusive bilag, blev vedtaget den 13. april 2021.

- 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
- The new shares shall be made out in the name of the holder and shall be non-negotiable instruments.

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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Latest amendment of the articles of association, including appendices, was resolved on 13 April 2021.

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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**

**1 WARRANTS**

1.1 [Slettet]

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.

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).

Tildelingen af warrants sker uden

**APPENDIX 2  
TO  
ARTICLES OF ASSOCIATION OF  
FORWARD PHARMA A/S  
CBR-NO. 28865880**

**WARRANTS**

[Deleted]

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.

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).

The grant of the warrants shall not be subject to payment from the Participant.

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betaling fra Deltageren.

Den del af de tildelte warrants, som 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).

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).

The portion of the warrants, which allows for the subscription of 89,140 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).

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).



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.

De tildelte warrants udløber uden kompensation den 31. december 2020 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2.

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 11.142,50 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle

The Participant may, subject to above, exercise the vested portion of the warrants during the period three to 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.

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.

The other terms and conditions applicable to the granted warrants are set forth in clause 2.

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:

- The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 11,142.50 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and

beløb er DKK 0,10, og

- Kapitalforhøjelsen sker for 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).

- The capital increase shall in respect of 89,140 shares be made at a subscription price of 3,929.91, corresponding to DKK 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 [Slettet]

[Deleted]

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

Each warrant entitles the Participants to subscribe for one share in the company with a nominal value of DKK

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).

Tildelingen af warrants sker uden betaling fra Deltagerne.

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").

Såfremt en Deltagers 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 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.

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 subject to payment from the Participants.

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").

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.

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

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

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 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 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).

- 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 mechanism 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).

1.5 [slettet]

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1.6 [slettet]

[deleted]

1.7 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 23. juni 2015 udstedt i

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors

alt 44.560 warrants til en af selskabets konsulenter ("Deltageren") uden fortegningsret for selskabets aktionærer.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominal værdi af 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).

Tildelingen af warrants sker uden betaling fra Deltageren.

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).

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.

De tildelte warrants udløber den 31. marts 2017 eller på det tidligere tidspunkt, som måtte følge af denne

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.

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10.

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).

The grant of the warrants shall not be subject to payment from the Participant.

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).

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.

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

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.

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.

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

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.

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 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

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.

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 4.456 (jf. dog justeringsklausulen i punkt 2.) og det mindste nominelle beløb er DKK 0,10, og

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.

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 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

	· 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).	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	[slettet]	[deleted]
1.9	[slettet]	[deleted]
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 24. november 2015, den 30. august 2016, den 29. marts 2017, den 4. april 2018 og den 26. november 2019 udstedt i alt 120.000 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, March 29, 2017, April 4, 2018 and November 26, 2019 issued a total of 120,000 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 to aktier i selskabet med en nominal værdi af DKK 0,01.	Each warrant entitles the Participant to subscribe for two shares in the company with a nominal value of DKK 0.01.
	240.000 aktier kan tegnes for USD 4,5112975 pr. aktie af DKK 0,01, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf.	240,000 shares may be subscribed for at a price of USD 4.5112975 per share of DKK 0.01, the subscription price being converted into DKK on the day the capital increase is filed with the

dog justeringsklausulen i punkt 2.9).

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 fratreden 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 (som gældende ved indgåelsen af tildelingsaftale med Deltageren), 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 (as in force at the date of conclusion of the award agreement with the Participant), 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:

- 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.
- 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

This *inter alia* implies the following:

- 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.
- 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)

(fratræden på grund af alder/pensionering) og § 4, stk. 3 (fratræden på grund af selskabets, et datterselskabs eller et koncernselskabs grove misligholdelse) (som gældende ved indgåelsen af tildelingsaftale med Deltageren).

- 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.

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").

De tildelte warrants udløber den 31.

(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) (as in force at the date of conclusion of the award agreement with the Participant).

- 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.

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").

The warrants will expire on 31 May

maj 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.

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

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.

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

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, bortset fra punkt 2.6 som ikke finder anvendelse.

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 2.400 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,01, og

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.

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.

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 2,400 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.01; and

· Kapitalforhøjelsen sker for USD 4,5112975 pr. aktie af DKK 0,01, 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 4.5112975 per share of DKK 0.01, 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 3.2 og 3.3 den 24. november 2015 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 24 November, 2015 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 nominal 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).

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

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 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

Deltageren udnytte den modnede del af de tildelte warrants i perioden tre til seks år fra Tildelingstidspunktet.

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 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

the period three to six years from the Grant Date.

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 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

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.

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

“fundsaktier”) 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.

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 8,914 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and



· 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 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 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.

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 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 nominal 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).

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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 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.

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 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

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

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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 2. april 2020 til 15. maj 2020.

De tildelte warrants udløber den 15. maj 2020 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 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

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 from April 2, 2020 until May 15, 2020.

The warrants will expire on May 15, 2020, 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 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

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.

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 49.958 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og
- 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

imposed by law on the company in respect of any such taxes.

The other terms and conditions applicable to the granted warrants are set forth in section 2.

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:

- 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
- 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

tegningskursen i DKK (jf. dog justeringsklausulen i punkt 2.9).

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,

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

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 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 (1. maj 2019 til 30. april 2022).

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 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 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).

The warrants will expire on April 30,

De tildelte warrants udløber den 30. april 2022 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.

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

2022, 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.

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

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.

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

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.

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

omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

the day the capital increase is filed with the Danish Business Authority (cf. however the adjustment mechanism in clause 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 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 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

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



(“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 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 (1. maj 2019 til 30. april 2022).

De tildelte warrants udløber den 30. april 2022 eller på det tidligere

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 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 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).

The warrants will expire on April 30, 2022, or earlier as provided for in this provision or section 2.

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.

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

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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.

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

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 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.

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

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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.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominal værdi af DKK 0,10 for USD 36,85, 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. juli 2015 ("Tildelingstidspunktet") (inklusive juli 2015).

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.

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 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

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 (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.

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, 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

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.

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

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 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

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 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).

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.

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 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 [slettet]

[deleted]

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 nominal 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).

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 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

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's

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 fire til seks år fra Tildelingstidspunktet (4. december 2019 til 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.

Deltageren skal dække ethvert krav og enhver forpligtelse, som relaterer sig til pålignelige skatter. Uden at

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, 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 four to six years from the Grant Date (4 December 2019 to 3 December 2021).

The warrants will expire on 3 December 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,



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.

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.

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 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

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 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).

1.21 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt

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 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).

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles

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.

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 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 1/48 på den sidste dag i hver af de første 48 måneder efter 19. oktober 2015 ("Tildelingstidspunktet") (inklusive oktober 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

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.

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 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 1/48 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).

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

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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 fire til seks år fra Tildelingstidspunktet (19. oktober 2019 til 18. oktober 2021).

De tildelte warrants udløber den 18. oktober 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 og bidrag til sociale sikringsordninger. Uden at

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, 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 four to six years from the Grant Date (19 October 2019 to 18 October 2021).

The warrants will expire on 18 October 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 and social security contributions. Without limiting the generality of the foregoing, where any person, including the company, its subsidiaries and affiliates would be

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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 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
- 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

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:

- make a payment to the company, its subsidiary or affiliate (as applicable) of an amount equal to the Tax Liability; or
- 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).

The grant of warrants does not form part of any contract of employment

relevante beløb ud af salgsprovenuet eller på anden måde).

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 berettiget til nogen form for kompensation for tab af rettigheder eller ydelser i henhold til 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.

Uanset om andet måtte fremgå af bestemmelserne i punkt 2.9.1, finder

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 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.

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 "fundsaktier") to all of the company's shareholders on a pro rata basis

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.

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

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.

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 14,000 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.10; and
- The capital increase shall be

14.000 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og

- 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 2.9).

1.22 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 29. marts 2017, den 4. april 2018, den 26. november 2019 og den 24. april 2020 udstedt i alt 154.166 warrants til en medarbejder i selskabet ("Deltageren") uden fortegningsret for selskabets aktionærer.

Hver warrant giver Deltageren ret til at tegne 2,3476 aktier i selskabet med en nominel værdi af DKK 0,01.

361.920 aktier kan tegnes for DKK 0,01 pr. aktie af DKK 0,01 (jf. dog justeringsklausulen i punkt 2.9).

Tildelingen af warrants sker uden betaling fra Deltageren. Tildelingen af

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).

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, April 4, 2018, November 26, 2019 and April 24, 2020 issued a total of 154,166 warrants to an employee of the company (the "Participant") without pre-emption rights of the existing shareholders.

Each warrant entitles the Participant to subscribe for 2.3476 shares in the company with a nominal value of DKK 0.01.

361,920 shares may be subscribed for at a price of DKK 0.01 per share of DKK 0.01 (cf. however the adjustment mechanism in clause 2.9).

The grant of the warrants shall not be subject to payment from the

warrants indebærer ikke en rettighed for Deltageren til at modtage yderligere warrants eller andre optioner i fremtiden.

Alle de tildelte warrants er fuldt modnede på Tildelingstidspunktet.

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 (som gældende ved indgåelsen af tildelingsaftale med Deltageren), 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).

Dette indebærer blandt andet følgende:

Participant. The grant of the warrants does not constitute a right of the Participant to receive further warrants or other awards in the future.

All of the granted warrants are fully vested at the Grant Date.

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 (as in force at the date of conclusion of the award agreement with the Participant), 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).

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.

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) (som gældende ved indgåelsen af tildelingsaftale med Deltageren).

Såfremt Deltageren fratræder sin stilling på grund af selskabets, et

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.

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) (as in force at the date of conclusion of the award agreement with the Participant).

In the event that the Participant resigns from his position in the company

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.

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").

De tildelte warrants udløber den 29. november 2022 eller på det tidlige 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

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.

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").

The warrants will expire on November 29, 2022 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

invalidforsikring 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.

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.

De øvrige regler og vilkår for de

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 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.

The other terms and conditions

tildelte warrants fremgår af punkt 2, bortset fra punkt 2.6 som ikke finder anvendelse.

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 3.619,20 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,01, og

Kapitalforhøjelsen sker for DKK 0,01 pr. aktie af DKK 0,01 (jf. dog justeringsklausulen i punkt 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.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominal værdi af DKK 0,10.

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applicable to the granted warrants are set forth in section 2, save for section 2.6 which shall not apply.

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 3,619.20 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.01; and

The capital increase shall be paid at a subscription price of DKK 0.01 per share of DKK 0.01 (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 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.

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).

Tildelingen af warrants sker uden betaling fra Deltageren. Tildelingen af warrants indebærer ikke en ret til at modtage yderligere warrants eller andre optioner i fremtiden.

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).

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

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).

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.

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).

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

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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 (dvs. fra 1. marts 2020 til 28. februar 2023).

De tildelte warrants udløber den 28. februar 2023 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

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 (i.e. from March 1, 2020 to February 28, 2023).

The warrants will expire on February 28, 2023 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

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.

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.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2, bortset fra punkt 2.5 som ikke finder anvendelse.

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 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.

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:

Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 6.000 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,10, og

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).

- 1.24 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 28. november 2017 udstedt i alt 240.000 warrants til en medarbejder i et af selskabets datterselskaber ("Deltageren") uden fortegningsret for selskabets aktionærer.

De tildelte warrants er tiltænkte at være Non-Qualified Options og ikke

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 6,000 (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 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).

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on 28 November 2017 issued a total of 240,000 warrants to an employee of a subsidiary of the company (the "Participant") without pre-emption rights of the existing shareholders.

The warrants are intended to be Non-Qualified Options and not Incentive

Incentive Stock Options som defineret i § 422 i den amerikanske Internal Revenue Code.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominal værdi af DKK 0,01.

240.000 aktier kan tegnes for DKK 0,01 pr. aktie af DKK 0,01.

Tildelingen af warrants sker uden betaling fra Deltageren. Tildelingen af warrants indebærer ikke en ret til at modtage yderligere warrants eller andre optioner i fremtiden.

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 20. juni 2017 (inklusive juni 2017) ("Tildelingstidspunktet"), idet dog alle ikke-modnede warrants skal modne ved ophør af Deltagerens ansættelsesforhold eller tjenesteforhold, som skyldes selskabets, et datterselskabs eller et koncernselskabs opsigelse af Deltagerens tjenesteforhold, som ikke er begrundet i Deltagerens væsentlige

Stock Options as defined in Section 422 of the US Internal Revenue Code.

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.01.

240,000 shares may be subscribed for at a price of DKK 0.01 per share of DKK 0.01.

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.

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 20 June 2017 (including June 2017) (the "Grant Date"), provided however that if the company, a subsidiary or an affiliate terminates the Participant's service relationship and the Participant following such termination is no longer an employee of the company, a subsidiary or an affiliate and such termination is not due to the Participant's material breach of his obligations towards the company, a



misligholdelse af sine forpligtelser overfor selskabet, et datterselskab eller koncernselskab, og Deltageren herefter ikke har noget ansættelsesforhold eller tjenesteforhold til selskabet, et datterselskab eller koncernselskab.

For hver modnet 1/36 af de tildelte warrants har Deltageren krav på en kontant kompensation fra Selskabet på EUR 7.497,3524, der forfalder til betaling bagudrettet ved udgangen af en måned som følger:

Juni - december 2017 (7/36): December 2017  
Januar - juni 2018 (6/36): Juni 2018  
Juli — december 2018 (6/36): December 2018  
Januar — juni 2019 (6/36): Juni 2019  
Juli — december 2019 (6/36): December 2019  
Januar — maj 2020 (5/36): Juni 2020

Udbetaling af kompensation til Deltageren skal ikke anses for selskabets anerkendelse af Deltagerens berettigelse til beløbet. Såfremt Deltageren i en måned får udbetalt kompensation for warrants, der ikke er modnede, er Deltageren forpligtet til straks at tilbagebetale det for meget udbetalte beløb til

subsidiary or an affiliate, 100% of the unvested portion of the Option shall vest upon termination of the Participant's employment or other service relationship.

For each vested 1/36 of the granted warrants, the Participant shall be entitled to a cash compensation from the Company in the amount of EUR 7,497.3524 falling due for payment in arrears by the end of a month as follows:

June — December 2017 (7/36): December 2017  
January — June 2018 (6/36): June 2018  
July — December 2018 (6/36): December 2018  
January — June 2019 (6/36): June 2019  
July — December 2019 (6/36): December 2019  
January — May 2020 (5/36): June 2020

Payment of compensation to the Participant shall not be deemed as an acknowledgement by the Company of the Participant's right to the paid amount. In the event the Participant in a month receives compensation for warrants that have not yet vested, the Participant shall immediately repay such amount to the company.

selskabet.

Ovennævnte kontante kompensationsbeløb er inklusive alle kildeskatter og andre skatter og bidrag af enhver art, som skal afholdes af selskabet, et datterselskab eller et koncernselskab på grundlag af kompensationen samt eventuelle feriepenge, pensionsbidrag og alle andre vederlagsafhængige ydelser, som Deltageren måtte være berettiget til.

Såfremt Deltagerens ansættelse eller andet tjenesteforhold ophører midt i en periode, udbetales kompensationen fortsat på det ovenfor anførte tidspunkt, men kun for den del af Deltagerens warrants, der var modnet på tidspunktet for ophøret.

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjenesteforhold af andre grunde end dem, som er nævnt ovenfor i dette punkt (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

The above cash compensation amount is inclusive of withholding taxes and other taxes and contributions of any kind, which must be paid by the company, a subsidiary or an affiliate on the basis of the compensation amount, as well as any holiday allowances, pension contributions and other contributions or payments of any kind, which are based on the Participant's remuneration, that the Participant may be entitled to.

If the employment or other service relationship terminates in the middle of a period, the compensation shall still fall due on the above dates but only for such portion of the Participant's warrants that had vested at the date of termination.

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's employment or other service relationship for other reasons than those mentioned above in this clause (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 appointed by the board of directors, may prior to the expiration of these warrants, in its sole discretion, by written notice to the Participant decide

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 20. juni 2023 eller på det tidligere tidspunkt, som måtte følge af denne bestemmelse eller punkt 2.

Selskabet, dets datterselskaber og koncernselskaber har ret, men ikke pligt, til at reducere enhver kompensation med beløb til brug for betaling af kildeskat af sådan kompensation og berettiget til at foretage enhver handling, som selskabet finder nødvendig med henblik på betaling af sådan kildeskat. Deltageren skal opfylde alle krav og forpligtelser vedrørende beskatning, herunder (og uden at begrænse den generelle formulering af det foregående) enhver indkomstskat, socialbidrag, arbejdsløsheds- og arbejdsevnetabsforsikring eller andre skatteforpligtelser vedrørende

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 20 June 2023 or earlier as provided for in this provision or section 2.

The company, its subsidiaries and affiliates shall have the right but not the obligation to deduct from any compensation, the amount of any required withholding taxes in respect of such compensation and to take all such other action as the company deems necessary to satisfy all obligations for the payment of such withholding taxes. The Participant shall satisfy any and all requirements and obligations relating to applicable taxes, including (without limiting the generality of the foregoing) any income tax, social security, unemployment, disability insurance or other tax obligations that become due from or

Deltageren i relation til enhver justering af Deltagerens warrantvilkår, herunder udbetalingen af ovennævnte compensation, og Deltageren skal skadesløsholde selskabet, dets datterselskaber og koncernselskaber for alle udgifter vedrørende enhver forpligtelse som i henhold til lovgivningen pålægges selskabet, dets datterselskaber eller koncernselskaber i relation til sådanne skatter. Uanset om andet måtte være nævnt i disse warrantvilkår, afgiver selskabet, dets datterselskaber og koncernselskaber ingen indeståelser eller garantier om de skattemæssige konsekvenser for Deltageren under afsnit 409A i den amerikanske Internal Revenue Code af 1986 (som ændret) eller nogen udenlandsk, føderal, delstat, eller lokal skattelovgivning. De skattemæssige konsekvenser for Deltageren vil afhænge af anvendelsen af relevante skatteregler baseret på de faktiske forhold og omstændigheder. Deltageren bør konsultere en kompetent og uafhængig skatterådgiver om de skattemæssige konsekvenser for Deltageren.

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

in relation to the Participant in connection with or as a consequence of any adjustment of the Participant's warrant terms, including the payment of the above compensation, 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 any provision in these terms to the contrary, the company, its subsidiaries and affiliates make no representations concerning the Participant's tax consequences under these terms under Section 409A of the Internal Revenue Code of 1986, as amended, or any other foreign, federal, state, or local tax law. The Participant's tax consequences will depend, in part, upon the application of relevant tax law to the relevant facts and circumstances. The Participant should consult a competent and independent tax advisor regarding his tax consequences.

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

aktionærer på pro rata basis i forhold til deres ejerskab, (b) udbytter, eller (c) kapitalnedsættelse hvor beløb udloddet til aktionærerne er forskellig fra markedsværdien af de aktier, som indløses i forbindelse med kapitalnedsættelsen. 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 et af bestyrelsen nedsat udvalg 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 2.400 (jf. dog justeringsklausulen i punkt 2.9)

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“fundsaktier”) to all of the company’s shareholders on a pro rata basis in accordance with their ownership interest or (b) dividends; or (c) a capital decrease where amounts distributed to shareholders do not equal the market value of the shares being redeemed as part of the capital decrease. 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 interests 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 2,400 (cf. however the adjustment mechanism

og det mindste nominelle beløb er DKK 0,01, og

- Kapitalforhøjelsen sker for DKK 0,01 pr. aktie af DKK 0,01.

1.25 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 28. november 2017 udstedt i alt 50.000 warrants til et medlem af selskabets bestyrelse (“Deltageren”) uden fortegningsret for selskabets aktionærer.

Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominal værdi af DKK 0,01.

50.000 aktier kan tegnes for DKK 0,01 pr. aktie af DKK 0,01.

Tildelingen af warrants sker uden betaling fra Deltageren. Tildelingen af warrants indebærer ikke en ret til Deltageren til at modtage yderligere warrants eller andre optioner i fremtiden.

Betinget af Deltagerens fortsatte tjenesteforhold hos selskabet, et datterselskab eller et koncernselskab på det relevante modningstidspunkt,

in clause 2.9) and the minimum nominal amount is DKK 0.01; and

- The capital increase shall be paid at a subscription price of DKK 0.01 per share of DKK 0.01.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on 28 November 2017 issued a total of 50,000 warrants to a member of the board of directors 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 0.01.

50,000 shares may be subscribed for at a price of DKK 0.01 per share of DKK 0.01.

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.

Subject to the Participant’s continuing service relationship with the company, a subsidiary or an affiliate on the applicable vesting date, the warrants will

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modnes de tildelte warrants med 1/36 på den sidste dag i hver af de første 36 måneder efter 20. juni 2017 (inklusive juni 2017) ("Tildelingstidspunktet"), idet dog alle ikke-modnede warrants skal modne ved ophør af Deltagerens tjenesteforhold, som skyldes, at Deltageren afsættes som bestyrelsesmedlem eller genopstiller som bestyrelsesmedlem, men ikke genvælges, og dette ikke er begrundet i Deltagerens væsentlige misligholdelse af sine forpligtelser overfor selskabet, et datterselskab eller koncernselskab, og Deltageren herefter ikke har noget tjenesteforhold til selskabet, et datterselskab eller koncernselskab.

For hver modnet 1/36 af de tildelte warrants har Deltageren krav på en kontant kompensation fra Selskabet på EUR 1.561,9484 forfalder til betaling bagudrettet ved udgangen af en måned som følger:

Juni - december 2017 (7/36): December 2017  
Januar - juni 2018 (6/36): Juni 2018  
Juli — december 2018 (6/36): December 2018  
Januar — juni 2019 (6/36): Juni 2019  
Juli — december 2019 (6/36): December 2019  
Januar — maj 2020 (5/36): Juni 2020

become vested with respect to 1/36 of the shares on the last day of each of the first 36 calendar months following 20 June 2017 (including June 2017) (the "Grant Date"), provided however that if the Participant is removed from his seat on the board of directors or runs for re-election, but is not being re-elected, and this is not due to the Participant's material breach of his obligations towards the company, a subsidiary or an affiliate, and the Participant following such termination is no longer engaged with the company, a subsidiary or an affiliate, 100% of the unvested portion of the Option shall vest upon termination of the Participant's service relationship.

For each vested 1/36 of the granted warrants, the Participant shall be entitled to a cash compensation from the Company in the amount of EUR 1,561.9484 falling due for payment in arrears by the end of a month as follows:

June — December 2017 (7/36): December 2017  
January — June 2018 (6/36): June 2018  
July — December 2018 (6/36): December 2018  
January — June 2019 (6/36): June 2019  
July — December 2019 (6/36): December 2019  
January — May 2020 (5/36): June

Udbetaling af kompensation til Deltageren skal ikke anses for selskabets anerkendelse af Deltagerens berettigelse til beløbet. Såfremt Deltageren i en måned får udbetalt kompensation for warrants, der ikke er modnede, er Deltageren forpligtet til straks at tilbagebetale det for meget udbetalte beløb til selskabet.

Ovennævnte kontante kompensationsbeløb er inklusive alle kildeskatter og andre skatter og bidrag af enhver art, som skal afholdes af selskabet, et datterselskab eller et koncernselskab på grundlag af kompensationen samt eventuelle feriepenge, pensionsbidrag og alle andre vederlagsafhængige ydelser, som Deltageren måtte være berettiget til.

Såfremt Deltagerens tjenesteforhold ophører midt i en periode, udbetales kompensationen fortsat på det ovenfor anførte tidspunkt, men kun for den del af Deltagerens warrants, der var modnet på tidspunktet for ophøret.

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens tjenesteforhold af andre

Payment of compensation to the Participant shall not be deemed as an acknowledgement by the Company of the Participant's right to the paid amount. In the event the Participant in a month receives compensation for warrants that have not yet vested, the Participant shall immediately repay such amount to the company.

The above cash compensation amount is inclusive of withholding taxes and other taxes and contributions of any kind, which must be paid by the company, a subsidiary or an affiliate on the basis of the compensation amount, as well as any holiday allowances, pension contributions and other contributions or payments of any kind, which are based on the Participant's remuneration, that the Participant may be entitled to.

If the service relationship terminates in the middle of a period, the compensation shall still fall due on the above dates but only for such portion of the Participant's warrants that had vested at the date of termination.

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's service relationship for other reasons

grunde end dem, som er nævnt ovenfor i dette punkt (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 20. juni 2023 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

than those mentioned above in this clause (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 appointed 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 20 June 2023 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



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.

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, (b) udbytter, eller (c) kapitalnedsættelse hvor beløb udloddet til aktionærerne er forskellig fra markedsværdien af de aktier, som indløses i forbindelse med kapitalnedsættelsen. 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 et af bestyrelsen nedsat udvalg efter eget skøn kan udføre de tilpasninger, som

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 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; or (c) a capital decrease where amounts distributed to shareholders do not equal the market value of the shares being redeemed as part of the capital decrease. 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

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 500 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,01, og
- Kapitalforhøjelsen sker for DKK 0,01 pr. aktie af DKK 0,01.

1.26 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 28. november 2017 udstedt i alt 50.000 warrants til et medlem af selskabets bestyrelse ("Deltageren") uden fortegningsret for selskabets aktionærer.

may make those adjustments it determines, in its discretion, are necessary to protect the Participant's interests 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 500 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.01; and
- The capital increase shall be paid at a subscription price of DKK 0.01 per share of DKK 0.01.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on 28 November 2017 issued a total of 50,000 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 0,01.

50.000 aktier kan tegnes for DKK 0,01 pr. aktie af DKK 0,01.

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.

Betinget af Deltagerens fortsatte 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 20. juni 2017 (inklusive juni 2017) ("Tildelingstidspunktet"), idet dog alle ikke-modnede warrants skal modne ved ophør af Deltagerens tjenesteforhold, som skyldes, at Deltageren afsættes som bestyrelsesmedlem eller genopstiller som bestyrelsesmedlem, men ikke genvælges, og dette ikke er begrundet i Deltagerens væsentlige misligholdelse af sine forpligtelser overfor selskabet, et datterselskab eller koncernselskab, og Deltageren herefter ikke har noget

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.01.

50,000 shares may be subscribed for at a price of DKK 0.01 per share of DKK 0.01.

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.

Subject to the Participant's continuing service relationship 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 20 June 2017 (including June 2017) (the "Grant Date"), provided however that if the Participant is removed from his seat on the board of directors or runs for re-election, but is not being re-elected, and this is not due to the Participant's material breach of his obligations towards the company, a subsidiary or an affiliate, and the Participant following such termination is no longer engaged with the company, a subsidiary or an affiliate, 100% of the unvested portion of the Option shall vest upon termination of the

tjenesteforhold til selskabet, et datterselskab eller koncernselskab.

Participant's service relationship..

For hver modnet 1/36 af de tildelte warrants har Deltageren krav på en kontant kompensation fra Selskabet på EUR 1.561,9484 forfalder til betaling bagudrettet ved udgangen af en måned som følger:

For each vested 1/36 of the granted warrants, the Participant shall be entitled to a cash compensation from the Company in the amount of EUR 1,561.9484 falling due for payment in arrears by the end of a month as follows:

Juni - december 2017 (7/36): December 2017  
Januar - juni 2018 (6/36): Juni 2018  
Juli — december 2018 (6/36): December 2018  
Januar — juni 2019 (6/36): Juni 2019  
Juli — december 2019 (6/36): December 2019  
Januar — maj 2020 (5/36): Juni 2020

June — December 2017 (7/36): December 2017  
January — June 2018 (6/36): June 2018  
July — December 2018 (6/36): December 2018  
January — June 2019 (6/36): June 2019  
July — December 2019 (6/36): December 2019  
January — May 2020 (5/36): June 2020

Udbetaling af kompensation til Deltageren skal ikke anses for selskabets anerkendelse af Deltagerens berettigelse til beløbet. Såfremt Deltageren i måned får udbetalt kompensation for warrants, der ikke er modnede, er Deltageren forpligtet til straks at tilbagebetale det for meget udbetalte beløb til selskabet.

Payment of compensation to the Participant shall not be deemed as an acknowledgement by the Company of the Participant's right to the paid amount. In the event the Participant in a month receives compensation for warrants that have not yet vested, the Participant shall immediately repay such amount to the company.

Ovennævnte kontante kompensationsbeløb er inklusive alle

The above cash compensation amount is inclusive of withholding taxes and

kildeskatter og andre skatter og bidrag af enhver art, som skal afholdes af selskabet, et datterselskab eller et koncernselskab på grundlag af kompensationen samt eventuelle feriepenge, pensionsbidrag og alle andre vederlagsafhængige ydelser, som Deltageren måtte være berettiget til.

Såfremt Deltagerens ansættelse eller andet tjenesteforhold ophører midt i en periode, udbetales kompensationen fortsat på det ovenfor anførte tidspunkt, men kun for den del af Deltagerens warrants, der var modnet på tidspunktet for ophøret.

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens tjenesteforhold af andre grunde end dem, som er nævnt ovenfor i dette punkt (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

other taxes and contributions of any kind, which must be paid by the company, a subsidiary or an affiliate on the basis of the compensation amount, as well as any holiday allowances, pension contributions and other contributions or payments of any kind, which are based on the Participant's remuneration, that the Participant may be entitled to.

If the employment or other service relationship terminates in the middle of a period, the compensation shall still fall due on the above dates but only for such portion of the Participant's warrants that had vested at the date of termination.

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's service relationship for other reasons than those mentioned above in this clause (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 appointed 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

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 20. juni 2023 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.

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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, (b) udbytter, eller (c) kapitalnedsættelse hvor beløb udloddet til aktionærene er forskellig fra markedsværdien af de aktier, som indløses i forbindelse med kapitalnedsættelsen. 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 et af bestyrelsen nedsat udvalg 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:

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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 20 June 2023 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.

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; or (c) a capital decrease where amounts distributed to shareholders do not equal the market value of the shares being redeemed as part of the capital decrease. 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 interests 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:

- Det højeste nominelle beløb, som kapitalen kan forhøjes med på baggrund af udnyttelse af warrants er DKK 500 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,01, og
- Kapitalforhøjelsen sker for DKK 0,01 pr. aktie af DKK 0,01.

- The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 500 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.01; and
- The capital increase shall be paid at a subscription price of DKK 0.01 per share of DKK 0.01.

1.27 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 28. november 2017 udstedt i alt 600.000 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 28 November 2017 issued a total of 600,000 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 nominal værdi af DKK 0,01.

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.01.

600.000 aktier kan tegnes for DKK 0,01 pr. aktie af DKK 0,01.

600,000 shares may be subscribed for at a price of DKK 0.01 per share of DKK 0.01.

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 1/36 på den sidste dag i hver af de første 36 måneder efter 20. juni 2017 (inklusive juni 2017) ("Tildelingstidspunktet"), idet dog alle ikke-modnede warrants skal modne ved ophør af Deltagerensansættelsesforhold eller tjenesteforhold, som skyldes selskabets, et datterselskabs eller et koncernselskabs opsigelse af Deltagerens ansættelse eller tjenesteforhold, som ikke er begrundet i Deltagerens væsentlige misligholdelse af sine forpligtelser overfor selskabet, et datterselskab eller koncernselskab, og Deltageren herefter ikke har noget ansættelsesforhold eller tjenesteforhold til selskabet, et datterselskab eller koncernselskab.

For hver modnet 1/36 af de tildelte warrants har Deltageren krav på en kontant kompensation fra Selskabet på EUR 18.743,3811 forfalder til betaling bagudrettet ved udgangen af en måned som følger:

Juni - december 2017 (7/36): December 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 1/36 of the shares on the last day of each of the first 36 calendar months following 20 June 2017 (including June 2017) (the "Grant Date"), provided however that if the company, a subsidiary or an affiliate terminates the Participant's employment or service relationship and the Participant following such termination is no longer an employee of the company, a subsidiary or an affiliate and such termination is not due to the Participant's material breach of his obligations towards the company, a subsidiary or an affiliate, 100% of the unvested portion of the Option shall vest upon termination of the Participant's employment or other service relationship.

For each vested 1/36 of the granted warrants, the Participant shall be entitled to a cash compensation from the Company in the amount of EUR 18,743.3811 falling due for payment in arrears by the end of a month as follows:

June — December 2017 (7/36): December 2017



Januar - juni 2018 (6/36): Juni 2018  
Juli — december 2018 (6/36): December 2018  
Januar — juni 2019 (6/36): Juni 2019  
Juli — december 2019 (6/36): December 2019  
Januar — maj 2020 (5/36): Juni 2020

Udbetaling af kompensation til Deltageren skal ikke anses for selskabets anerkendelse af Deltagerens berettigelse til beløbet. Såfremt Deltageren i måned får udbetalt kompensation for warrants, der ikke er modnede, er Deltageren forpligtet til straks at tilbagebetale det for meget udbetalte beløb til selskabet.

Ovennævnte kontante kompensationsbeløb er inklusive alle kildeskatter og andre skatter og bidrag af enhver art, som skal afholdes af selskabet, et datterselskab eller et koncernselskab på grundlag af kompensationen samt eventuelle feriepenge, pensionsbidrag og alle andre vederlagsafhængige ydelser, som Deltageren måtte være berettiget til.

Såfremt Deltagerens ansættelse eller andet tjenesteforhold ophører midt i en periode, udbetales kompensationen

January — June 2018 (6/36): June 2018  
July — December 2018 (6/36): December 2018  
January — June 2019 (6/36): June 2019  
July — December 2019 (6/36): December 2019  
January — May 2020 (5/36): June 2020

Payment of compensation to the Participant shall not be deemed as an acknowledgement by the Company of the Participant's right to the paid amount. In the event the Participant in a month receives compensation for warrants that have not yet vested, the Participant shall immediately repay such amount to the company.

The above cash compensation amount is inclusive of withholding taxes and other taxes and contributions of any kind, which must be paid by the company, a subsidiary or an affiliate on the basis of the compensation amount, as well as any holiday allowances, pension contributions and other contributions or payments of any kind, which are based on the Participant's remuneration, that the Participant may be entitled to.

If the employment or other service relationship terminates in the middle of a period, the compensation shall

fortsat på det ovenfor anførte tidspunkt, men kun for den del af Deltagerens warrants, der var modnet på tidspunktet for ophøret.

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjenesteforhold af andre grunde end dem, som er nævnt ovenfor i dette punkt (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 20. juni 2023 eller på det tidligere

still fall due on the above dates but only for such portion of the Participant's warrants that had vested at the date of termination.

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's employment or other service relationship for other reasons than those mentioned above in this clause (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 appointed 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 20 June 2023 or earlier as provided for in this

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.

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, (b) udbytter, eller (c) kapitalnedsættelse hvor beløb udloddet til aktionærerne er forskellig fra markedsværdien af de aktier, som indløses i forbindelse med kapitalnedsættelsen. Formålet

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.

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; or (c) a capital decrease where amounts distributed to shareholders do not equal the market value of the shares being

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 et af bestyrelsen nedsat udvalg 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 6.000 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,01, og
- Kapitalforhøjelsen sker for DKK 0,01 pr. aktie af DKK 0,01.

redeemed as part of the capital decrease. 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 interests 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 6,000 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.01; and
- The capital increase shall be paid at a subscription price of DKK 0.01 per share of DKK 0.01.

1.28	<p>Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 28. november 2017 udstedt i alt 50.000 warrants til et medlem af selskabets bestyrelse ("Deltageren") uden fortegningsret for selskabets aktionærer.</p> <p>Hver warrant giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,01.</p> <p>50.000 aktier kan tegnes for DKK 0,01 pr. aktie af DKK 0,01.</p> <p>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.</p> <p>Betinget af Deltagerens fortsatte 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 20. juni 2017 (inklusive juni 2017) ("Tildelingstidspunktet"), idet dog alle ikke-modnede warrants skal modne ved ophør af Deltagerens</p>	<p>Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on 28 November 2017 issued a total of 50,000 warrants to a member of the board of directors of the company (the "Participant") without pre-emption rights of the existing shareholders.</p> <p>Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.01.</p> <p>50,000 shares may be subscribed for at a price of DKK 0.01 per share of DKK 0.01.</p> <p>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.</p> <p>Subject to the Participant's continuing service relationship 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 20 June 2017 (including June 2017) (the "Grant Date"), provided however that if the Participant is removed from his seat on the board of directors</p>
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tjenesteforhold, som skyldes, at Deltageren afsættes som bestyrelsesmedlem eller genopstiller som bestyrelsesmedlem, men ikke genvælges, og dette ikke er begrundet i Deltagerens væsentlige misligholdelse af sine forpligtelser overfor selskabet, et datterselskab eller koncernselskab, og Deltageren herefter ikke har noget tjenesteforhold til selskabet, et datterselskab eller koncernselskab.

For hver modnet 1/36 af de tildelte warrants har Deltageren krav på en kontant kompensation fra Selskabet på EUR 1.561,9484 forfalder til betaling bagudrettet ved udgangen af en måned som følger:

Juni - december 2017 (7/36): December 2017  
Januar - juni 2018 (6/36): Juni 2018  
Juli — december 2018 (6/36): December 2018  
Januar — juni 2019 (6/36): Juni 2019  
Juli — december 2019 (6/36): December 2019  
Januar — maj 2020 (5/36): Juni 2020

Udbetaling af kompensation til Deltageren skal ikke anses for selskabets anerkendelse af

or runs for re-election, but is not being re-elected, and this is not due to the Participant's material breach of his obligations towards the company, a subsidiary or an affiliate, and the Participant following such termination is no longer engaged with the company, a subsidiary or an affiliate, 100% of the unvested portion of the Option shall vest upon termination of the Participant's service relationship.

For each vested 1/36 of the granted warrants, the Participant shall be entitled to a cash compensation from the Company in the amount of EUR 1,561.9484 falling due for payment in arrears by the end of a month as follows:

June — December 2017 (7/36): December 2017  
January — June 2018 (6/36): June 2018  
July — December 2018 (6/36): December 2018  
January — June 2019 (6/36): June 2019  
July — December 2019 (6/36): December 2019  
January — May 2020 (5/36): June 2020

Payment of compensation to the Participant shall not be deemed as an acknowledgement by the Company of

Deltagerens berettigelse til beløbet. Såfremt Deltageren i måned får udbetalt kompensation for warrants, der ikke er modnede, er Deltageren forpligtet til straks at tilbagebetale det for meget udbetalte beløb til selskabet.

Ovennævnte kontante kompensationsbeløb er inklusive alle kildeskatter og andre skatter og bidrag af enhver art, som skal afholdes af selskabet, et datterselskab eller et koncernselskab på grundlag af kompensationen samt eventuelle feriepenge, pensionsbidrag og alle andre vederlagsafhængige ydelser, som Deltageren måtte være berettiget til.

Såfremt Deltagerens tjenesteforhold ophører midt i en periode, udbetales kompensationen fortsat på det ovenfor anførte tidspunkt, men kun for den del af Deltagerens warrants, der var modnet på tidspunktet for ophøret.

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens tjenesteforhold af andre grunde end dem, som er nævnt ovenfor i dette punkt (Ophør af Tjenesteforhold), og den modnede del af de tildelte warrants kan udnyttes i

the Participant's right to the paid amount. In the event the Participant in a month receives compensation for warrants that have not yet vested, the Participant shall immediately repay such amount to the company.

The above cash compensation amount is inclusive of withholding taxes and other taxes and contributions of any kind, which must be paid by the company, a subsidiary or an affiliate on the basis of the compensation amount, as well as any holiday allowances, pension contributions and other contributions or payments of any kind, which are based on the Participant's remuneration, that the Participant may be entitled to.

If the service relationship terminates in the middle of a period, the compensation will still fall due on the above dates but only for such portion of the Participant's warrants that had vested at the date of termination.

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's service relationship for other reasons than those mentioned above in this clause (a Termination of Service), and the vested portion of the warrants shall be exercisable to the extent provided

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 20. juni 2023 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

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 20 June 2023 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



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.

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, (b) udbytter, eller (c) kapitalnedsættelse hvor beløb udloddet til aktionærerne er forskellig fra markedsværdien af de aktier, som indløses i forbindelse med kapitalnedsættelsen. 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.

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 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; or (c) a capital decrease where amounts distributed to shareholders do not equal the market value of the shares being redeemed as part of the capital decrease. 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 500 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,01, og
- Kapitalforhøjelsen sker for DKK 0,01 pr. aktie af DKK 0,01.

- The maximum nominal amount by which the capital may be increased on the basis of exercise of the warrants is DKK 500 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.01; and
- The capital increase shall be paid at a subscription price of DKK 0.01 per share of DKK 0.01.

1.29 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 28. november 2017 udstedt i alt 600.000 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 28 November 2017 issued a total of 600,000 warrants to one of the consultants 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 nominal værdi af DKK 0,01.

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.01.

600.000 aktier kan tegnes for DKK 0,01 pr. aktie af DKK 0,01.

600,000 shares may be subscribed for at a price of DKK 0.01 per share of DKK 0.01.

Tildelingen af warrants sker uden betaling fra Deltageren. Tildelingen af warrants indebærer ikke en ret 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 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 20. juni 2017 (inklusive juni 2017) ("Tildelingstidspunktet"), idet dog alle ikke-modnede warrants skal modne ved ophør af Deltagerens tjenesteforhold, som skyldes selskabets, et datterselskabs eller et koncernselskabs opsigelse af Deltagerens tjenesteforhold, som ikke er begrundet i Deltagerens væsentlige misligholdelse af sine forpligtelser overfor selskabet, et datterselskab eller koncernselskab, og Deltageren herefter ikke har noget tjenesteforhold til selskabet, et datterselskab eller koncernselskab.

Subject to the Participant's continuing service relationship 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 20 June 2017 (including June 2017) (the "Grant Date"), provided however that if the company, a subsidiary or an affiliate terminates the Participant's service relationship and the Participant following such termination is no longer engaged with the company, a subsidiary or an affiliate and such termination is not due to the Participant's material breach of his obligations towards the company, a subsidiary or an affiliate, 100% of the unvested portion of the Option shall vest upon termination of the Participant's service relationship.

For hver modnet 1/36 af de tildelte warrants har Deltageren krav på en kontant kompensation fra Selskabet

For each vested 1/36 of the granted warrants, the Participant shall be entitled to a cash compensation from the

på EUR 18.743,3811 forfalder til betaling bagudrettet ved udgangen af en måned som følger:

Juni - december 2017 (7/36): December 2017  
Januar - juni 2018 (6/36): Juni 2018  
Juli — december 2018 (6/36): December 2018  
Januar — juni 2019 (6/36): Juni 2019  
Juli — december 2019 (6/36): December 2019  
Januar — maj 2020 (5/36): Juni 2020

Udbetaling af kompensation til Deltageren skal ikke anses for selskabets anerkendelse af Deltagerens berettigelse til beløbet. Såfremt Deltageren i måned får udbetalt kompensation for warrants, der ikke er modnede, er Deltageren forpligtet til straks at tilbagebetale det for meget udbetalte beløb til selskabet.

Ovennævnte kontante kompensationsbeløb er inklusive alle kildeskatter og andre skatter og bidrag af enhver art, som skal afholdes af selskabet, et datterselskab eller et koncernselskab på grundlag af kompensationen samt eventuelle feriepenge, pensionsbidrag og alle andre vederlagsafhængige ydelser,

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som Deltageren måtte være berettiget til.

Såfremt Deltagerens tjenesteforhold ophører midt i en periode, udbetales kompensationen fortsat på det ovenfor anførte tidspunkt, men kun for den del af Deltagerens warrants, der var modnet på tidspunktet for ophøret.

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens tjenesteforhold af andre grunde end dem, som er nævnt ovenfor i dette punkt (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

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Company in the amount of EUR 18,743.3811 falling due for payment in arrears by the end of a month as follows:

June — December 2017 (7/36): December 2017  
January — June 2018 (6/36): June 2018  
July — December 2018 (6/36): December 2018  
January — June 2019 (6/36): June 2019  
July — December 2019 (6/36): December 2019  
January — May 2020 (5/36): June 2020

Payment of compensation to the Participant shall not be deemed as an acknowledgement by the Company of the Participant's right to the paid amount. In the event the Participant in a month receives compensation for warrants that have not yet vested, the Participant shall immediately repay such amount to the company.

The above cash compensation amount is inclusive of withholding taxes and other taxes and contributions of any kind, which must be paid by the company, a subsidiary or an affiliate on the basis of the compensation amount, as well as any holiday allowances, pension contributions and other contributions or payments of any

kind, which are based on the Participant's remuneration, that the Participant may be entitled to.

If the service relationship terminates in the middle of a period, the compensation shall still fall due on the above dates but only for such portion of the Participant's warrants that had vested at the date of termination.

The unvested portion of the warrants will be cancelled for no compensation upon termination of the Participant's service relationship for other reasons than those mentioned above in this clause (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 appointed 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

Deltageren udnytte den modnede del af de tildelte warrants i perioden tre til seks år fra Tildelingstidspunktet.

De tildelte warrants udløber den 20. juni 2023 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.

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

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 20 June 2023 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.

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

aktionærer på pro rata basis i forhold til deres ejerskab, (b) udbytter, eller (c) kapitalnedsættelse hvor beløb udloddet til aktionærerne er forskellig fra markedsværdien af de aktier, som indløses i forbindelse med kapitalnedsættelsen. 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 et af bestyrelsen nedsat udvalg 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 6.000 (jf. dog justeringsklausulen i punkt 2.9)

“fondsaktier”) to all of the company’s shareholders on a pro rata basis in accordance with their ownership interest or (b) dividends; or (c) a capital decrease where amounts distributed to shareholders do not equal the market value of the shares being redeemed as part of the capital decrease. 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 interests 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 6,000 (cf. however the adjustment mechanism

og det mindste nominelle beløb er DKK 0,01, og

in clause 2.9) and the minimum nominal amount is DKK 0.01;  
and

· Kapitalforhøjelsen sker for DKK 0,01 pr. aktie af DKK 0,01.

· The capital increase shall be paid at a subscription price of DKK 0.01 per share of DKK 0.01.

1.30 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 28. november 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 28 November 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 nominal værdi af DKK 0,01.

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.01.

60.000 aktier kan tegnes for DKK 0,01 pr. aktie af DKK 0,01.

60,000 shares may be subscribed for at a price of DKK 0.01 per share of DKK 0.01.

Tildelingen af warrants sker uden betaling fra Deltageren. Tildelingen af warrants indebærer ikke en ret 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,

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

modnes de tildelte warrants med 1/36 på den sidste dag i hver af de første 36 måneder efter 20. juni 2017 (inklusive juni 2017) ("Tildelingstidspunktet"), idet dog alle ikke-modnede warrants skal modne ved ophør af Deltagerens ansættelsesforhold eller tjenesteforhold, som skyldes selskabets, et datterselskabs eller et koncernselskabs opsigelse af Deltagerens ansættelse eller tjenesteforhold, som ikke er begrundet i Deltagerens væsentlige misligholdelse af sine forpligtelser overfor selskabet, et datterselskab eller koncernselskab, og Deltageren herefter ikke har noget ansættelsesforhold eller tjenesteforhold til selskabet, et datterselskab eller koncernselskab.

For hver modnet 1/36 af de tildelte warrants har Deltageren krav på en kontant kompensation fra Selskabet på EUR 1,874.3381 forfalder til betaling bagudrettet ved udgangen af en måned som følger:

Juni - december 2017 (7/36): December 2017  
Januar - juni 2018 (6/36): Juni 2018  
Juli — december 2018 (6/36): December 2018  
Januar — juni 2019 (6/36): Juni 2019

of the shares on the last day of each of the first 36 calendar months following 20 June 2017 (including June 2017) (the "Grant Date"), provided however that if the company, a subsidiary or an affiliate terminates the Participant's employment or service relationship and the Participant following such termination is no longer an employee of the company, a subsidiary or an affiliate and such termination is not due to the Participant's material breach of his obligations towards the company, a subsidiary or an affiliate, 100% of the unvested portion of the Option shall vest upon termination of the Participant's employment or other service relationship.

For each vested 1/36 of the granted warrants, the Participant shall be entitled to a cash compensation from the Company in the amount of EUR 1,874.3381 falling due for payment in arrears by the end of a month as follows:

June — December 2017 (7/36): December 2017  
January — June 2018 (6/36): June 2018  
July — December 2018 (6/36): December 2018  
January — June 2019 (6/36): June 2019

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Juli – december 2019 (6/36): December 2019

Januar – maj 2020 (5/36): Juni 2020

Udbetaling af kompensation til Deltageren skal ikke anses for selskabets anerkendelse af Deltagerens berettigelse til beløbet. Såfremt Deltageren i måned får udbetalt kompensation for warrants, der ikke er modnede, er Deltageren forpligtet til straks at tilbagebetale det for meget udbetalte beløb til selskabet.

Ovennævnte kontante kompensationsbeløb er inklusive alle kildeskatter og andre skatter og bidrag af enhver art, som skal afholdes af selskabet, et datterselskab eller et koncernselskab på grundlag af kompensationen samt eventuelle feriepenge, pensionsbidrag og alle andre vederlagsafhængige ydelser, som Deltageren måtte være berettiget til.

Såfremt Deltagerens tjenesteforhold ophører midt i en periode, udbetales kompensationen fortsat på det ovenfor anførte tidspunkt, men kun for den del af Deltagerens warrants, der var modnet på tidspunktet for ophøret.

Den del af de tildelte warrants, som

July – December 2019 (6/36): December 2019

January – May 2020 (5/36): June 2020

Payment of compensation to the Participant shall not be deemed as an acknowledgement by the Company of the Participant's right to the paid amount. In the event the Participant in a month receives compensation for warrants that have not yet vested, the Participant shall immediately repay such amount to the company.

The above cash compensation amount is inclusive of withholding taxes and other taxes and contributions of any kind, which must be paid by the company, a subsidiary or an affiliate on the basis of the compensation amount, as well as any holiday allowances, pension contributions and other contributions or payments of any kind, which are based on the Participant's remuneration, that the Participant may be entitled to.

If the service relationship terminates in the middle of a period, the compensation shall still fall due on the above dates but only for such portion of the Participant's warrants that had vested at the date of termination.

The unvested portion of the warrants

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ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjenesteforhold af andre grunde end dem, som er nævnt ovenfor i dette punkt (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 20. juni 2023 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

will be cancelled for no compensation upon termination of the Participant's employment or other service relationship for other reasons than those mentioned above in this clause (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 appointed 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 20 June 2023 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

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.

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, (b) udbytter, eller (c) kapitalnedsættelse hvor beløb udloddet til aktionærerne er forskellig fra markedsværdien af de aktier, som indløses i forbindelse med kapitalnedsættelsen. 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

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 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; or (c) a capital decrease where amounts distributed to shareholders do not equal the market value of the shares being redeemed as part of the capital decrease. 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

bemærkes, at bestyrelsen eller et af bestyrelsen nedsat udvalg 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 600 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,01, og
- Kapitalforhøjelsen sker for DKK 0,01 pr. aktie af DKK 0,01.

1.31 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 18. september 2018 udstedt 800 warrants til en medarbejder i selskabet

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 interests 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 600 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.01; and
- The capital increase shall be paid at a subscription price of DKK 0.01 per share of DKK 0.01.

Pursuant to the authorization included in articles 3.2 and 3.3 of the articles of association, the board of directors has on September 18, 2018 issued 800 warrants to an employee of the

(“Deltageren”) uden fortegningsret for selskabets aktionærer.

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 nominal værdi af DKK 0,01.

Each warrant entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.01.

Det præciseres, at ovenstående svarer til en udstedelse af 80 warrants, der hver giver Deltageren ret til at tegne én aktie i selskabet med en nominal værdi af DKK 0,10.

It is noted that the above equals an issue of 80 warrants that each entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10.

800 aktier kan tegnes for USD 1,39665 pr. aktie af DKK 0,01, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

800 shares may be subscribed for at a price of USD 1.39665 per share of DKK 0.01, 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

In the event the Participant resigns from his position with the company, a subsidiary or an affiliate (and the Participant is thereafter no longer

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 (a) Deltageren dog kan udnytte sine warrants i opsigelsesperioden og (b) bestyrelsen efter dets eget skøn dog kan beslutte, at warrants skal kunne udnyttes som om, Deltageren ikke havde opsagt sin stilling (i hvilket tilfælde de tildelte warrants skal kunne udnyttes som anført nedenfor, medmindre andet fremgår af denne bestemmelse eller punkt 2).

Dette indebærer blandt andet 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 kan dog udnyttes indtil fratrædelsestidspunktet på de i denne bestemmelse og punkt 2 anførte betingelser og vilkår.
- Såfremt Deltageren fratræder sin stilling i selskabet, et

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 (a) the Participant may exercise the warrants during the notice period and (b) the board of directors may in its sole discretion decide that the warrants shall remain exercisable as if the Participant had not resigned (in which case the warrants shall be exercisable as set forth below, subject to the terms and conditions set forth in this provision and section 2).

This *inter alia* implies the following:

- 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 may, however, be exercised until termination of the Participant's employment on the terms and conditions provided for in this provision and section 2.
- In the event that the Participant resigns from his position in the

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).

- 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 kan dog udnyttes indtil fratrædelsestidspunktet på de i denne bestemmelse og punkt 2 anførte betingelser og vilkår.

Medmindre andet fremgår af denne bestemmelse eller punkt 2, kan

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).

- 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 may, however, be exercised until the termination of the employment on the terms and conditions provided for in this provision and section 2.

The Participant may, subject to the terms and conditions set forth in this

Deltageren udnytte de tildelte warrants i perioden fra og med den 1. september 2021 til og med til og med 31. august 2024 (“Udnyttelsesperioden”).

De tildelte warrants udløber den 31. august 2024 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.

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

provision and section 2, exercise the warrants during the period from and including September 1, 2021 through August 31, 2024 (“Exercise Period”).

The warrants will expire on August 31, 2024, 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.

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

fondsaktier til alle selskabets aktionærer på pro rata basis i forhold til deres ejerskab eller (b) udbytter eller (c) kapitalnedsættelse hvor beløb udloddet til aktionærerne er forskellig fra markedsværdien af de aktier, som indløses i forbindelse med kapitalnedsættelsen. 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.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2, bortset fra punkt 2.6 som ikke finder anvendelse.

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

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 or (c) a capital decrease where amounts distributed to shareholders do not equal the market value of the shares being redeemed as part of the capital decrease. 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.

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.

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



warrants er DKK 8,00 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,01, og

the warrants is DKK 8.00 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.01; and

- Kapitalforhøjelsen sker for USD 1,39665 pr. aktie af DKK 0,01, 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 1.39665 per share of DKK 0.01, 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).

1.32 Bestyrelsen har i henhold til bemyndigelsen i vedtægternes punkt 3.2 og 3.3 den 26. november 2019 udstedt 7.200 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 26, 2019 issued 7,200 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 0.01.

Det præciseres, at ovenstående svarer til en udstedelse af 720 warrants, der hver giver Deltageren ret til at tegne én aktie i selskabet med en nominel værdi af DKK 0,10.

It is noted that the above equals an issue of 720 warrants that each entitles the Participant to subscribe for one share in the company with a nominal value of DKK 0.10.

7.200 aktier kan tegnes for USD 0,595 pr. aktie af DKK 0,01, idet

7,200 shares may be subscribed for at a price of USD 0.595 per share of DKK

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tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

0.01, 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 ansættelse 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 2. april 2019 ("Tildelingstids-punktet") (inklusive april 2019).

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 on the last day of each of the first 36 calendar months following 2 April 2019 (the "Grant Date") (including April 2019).

Den del af de tildelte warrants, som ikke er modnet, vil blive annulleret uden kompensation ved ophør af Deltagerens ansættelse eller andet tjene-steforhold 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

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

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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 de tildelte warrants i perioden fra og med den 1. april 2022 til og med til og med 31. marts 2025 ("Udnyttelsesperioden").

De tildelte warrants udløber den 1. april 2025 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

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 warrants during the period from and including 1 April 2022 through 31 Marts, 2025 ("Exercise Period").

The warrants will expire on 1 April 2025, 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

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 eller (c) kapitalnedsættelse hvor udlodningen til aktionærerne ikke modsvarer markedsværdien af de aktier der indfries som følge af kapitalnedsættelsen. 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.

De øvrige regler og vilkår for de tildelte warrants fremgår af punkt 2.

I konsekvens af ovenstående har

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 or (c) a capital decrease where the amounts distributed to shareholders do not equal the market value of shares being redeemed as part of the capital decrease. 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.

The other terms and conditions applicable to the granted warrants are set forth in section 2.

As a consequence of the resolution to

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 72,00 (jf. dog justeringsklausulen i punkt 2.9) og det mindste nominelle beløb er DKK 0,01, og

Kapitalforhøjelsen sker for USD 0,595 pr. aktie af DKK 0,01, idet tegningskursen omregnes til DKK på dagen for kapitalforhøjelsens anmeldelse til Erhvervsstyrelsen (jf. dog justeringsklausulen i punkt 2.9).

## **2 2014 WARRANT VILKÅR**

### **2.1 FORMÅL**

- 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").

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 72.00 (cf. however the adjustment mechanism in clause 2.9) and the minimum nominal amount is DKK 0.01; and

The capital increase shall be paid at a subscription price of USD 0.595 per share of DKK 0.01, 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).

## **2014 WARRANT TERMS**

### **SCOPE**

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

- 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.

## 2.3 MODNINGSPERIODE

- 2.3.1 Bestemmelser vedrørende modning af 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.

## 2.4 UDNYTTELSE

- 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

## WARRANTS

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.

## VESTING PERIOD

Vesting provisions applicable to the 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.

## EXERCISE

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

personens ret til at udnytte de pågældende 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.

2.4.3 Warrants kan kun udnyttes til at tegne et helt antal aktier.

## 2.5 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.

"Change in Control" skal omfatte følgende begivenheder:

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"),

submit documentation verifying that such person has the legal right to exercise the Warrants.

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.

The Warrants may be exercised only to subscribe for a whole number of shares.

## 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" means any of the following events:

A. a "person" (as such term is used in Sections 13(d) and 14(d) of the US Securities Exchange Act of 1934, as amended (the "1934 Act")), other than:

bortset fra:

(i) en administrator eller lignende, der besidder værdipapirer i henhold til en medarbejderordning i selskabet,

(ii) et selskab, der ejes direkte eller indirekte af aktionærerne i selskabet i væsentligt samme forhold som deres ejerskab af aktier i selskabet, eller

(iii) en person der umiddelbart forud for tildelingstidspunktet 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) a trustee or other fiduciary holding securities under an employee benefit plan of the company,

(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) a person who beneficially owns, directly or indirectly, 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

(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

(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:

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 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



(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 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)

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:

(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

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 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 aktionærs 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

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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.

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

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 bevarer den økonomiske værdi af de omhandlede Warrants opgjort umiddelbart før en sådan Change in Control.

## 2.6 OPHØR AF DELTAGERENS RELATION TIL SELSKABET

- 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

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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 Control.

## TERMINATION OF THE PARTICIPANT'S RELATIONS WITH THE COMPANY

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

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.

2.6.2 Såfremt en Deltagers ansættelses- eller andet tjenesteforhold hos 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.

## **2.7 UDLØB**

2.7.1 Warrants udløber på udløbsdatoen fastsat i Vedtægtsbestemmelsen eller på et sådant tidligere tidspunkt som måtte fremgå af disse vilkår.

## **2.8 OVERDRAGELSE**

2.8.1 Uden forudgående skriftligt samtykke fra Selskabets bestyrelse eller et eventuelt udvalg nedsat af bestyrelsen kan Warrants ikke overdrages af Deltageren, undtagen i henhold til testamente eller arv efter gældende arvelovgivning ved Deltagerens død, ligesom alene

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.

In the event a Participant's employment or other service relationship 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.

## **EXPIRATION**

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.

## **ASSIGNMENT**

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 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

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 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.

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.

## 2.9 JUSTERING AF WARRANTS I TILFÆLDE AF ÆNDRINGER I

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 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.

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.

## ADJUSTMENTS OF THE WARRANTS IN CASE OF CHANGES to THE

## SELSKABETS KAPITALFORHOLD

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, 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

## COMPANY'S CAPITAL

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 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

(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 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 ændring i selskabets kapitalforhold, sker til en kurs, der er lavere end markedskursen på selskabets aktier på tidspunktet for dispositionen.

## **2.10 SKAT**

- 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 fratække et sådant beløb i ethvert vederlag, der udbetales til Deltageren), ligesom Deltageren skal

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 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 take place at a price below the fair market value of the company's shares at the time of the transaction.

## **TAXES**

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

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.

## **2.11 MEDDELELSER**

- 2.11.1 Enhver meddelelse, der skal leveres til selskabet i relation til tildeling eller udnyttelse af Warrants, skal være 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 Deltagerens på Deltagerens adresse som angivet i selskabets protokoller. Hver part kan skriftligt (eller på en anden af selskabet godkendt måde) angive en anden adresse.

## **2.12 LOVVALG**

- 2.12.1 Vilkårene for tildelingen og udnyttelsen af Warrants skal fortolkes i overensstemmelse med dansk ret.

## **2.13 ÆNDRINGER**

- 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

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.

## **NOTICES**

Any notice required to be delivered to the company in regard to the grant or exercise of Warrants shall be in writing 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.

## **GOVERNING LAW**

The grant and exercise of Warrants will be construed and interpreted in accordance with the laws of Denmark.

## **AMENDMENTS**

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

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.

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

### GENERAL TERMS FOR CAPITAL INCREASES

3.1 Udover de under punkt 1 anførte vilkår for den til de udstedte Warrants hørende kapitalforhøjelse gælder følgende vilkår:

In addition to the terms and conditions 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,
- 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,
- De nye aktier skal tilhøre samme aktieklasser, som de eksisterende aktier i selskabet,
- Kapitalforhøjelsen sker uden fortegningsret for de hidtidige aktionærer, idet tegningen sker

- The new shares will be divided into shares of nominally DKK 0.10 or multiples hereof;
- 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;
- The new shares shall belong to the same share class as the existing shares in the company;
- The capital increase shall be made without any pre-emption rights for the existing shareholders, given that the subscription



på baggrund af warrants udstedt til selskabets eller dets datterselskabers medarbejdere, direktionsmedlemmer, bestyrelsesmedlemmer og konsulenter,

- Der skal ikke gælde indskrænkninger i den til de nye aktier knyttede fortegningsret 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.

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 ;

- The pre-emption rights attached to the new shares shall not be subject to any restrictions in the event of future capital increases;
- 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.

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### BILAG 3 TIL VEDTÆGTERNE FOR FORWARD PHARMA A/S (CVR-NR. 28865880)

#### I. BAGGRUND OG FORMÅL

På Selskabets ekstraordinære generalforsamling den 2. august 2017 ("EGF") blev det besluttet, at (i) foretage et split af Selskabets aktier i aktier a hver nominelt DKK 0,01, (ii) nedsætte Selskabets aktiekapital med nominelt DKK 3.774.719,92 (80 % reduktion og annullation af aktierne), og (iii) udbetale et beløb til aktionærerne på EUR 19,45 pr. aktie a nominelt DKK 0,10, se det som underbilag A vedhæftede resumé. Kapitalnedsættelsen og udbetalingen til Selskabets aktionærer blev gennemført den 1. september 2017 ("**Gennemførelsesdagen**").

Den økonomiske værdi af visse warrants og deferred share optioner udstedt af Selskabet til visse af koncernens medarbejdere, bestyrelsesmedlemmer og konsulenter mv. blev udvandet som følge af beslutningerne vedtaget på EGF.

De berørte optioner, der omfattes af justeringerne i dette bilag 3, er:

- warrants udstedt i henhold til punkt 1.5, 1.6, 1.9, og 1.13 i bilag 1 til selskabets vedtægter;
- warrants udstedt i henhold pkt. 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 1.10, 1.11, 1.12, 1.13, 1.14, 1.16, 1.17, 1.18, 1.19, 1.20, 1.21, 1.22, og 1.23 i bilag 2 til selskabets vedtægter; and
- deferred share optioner tildelt af selskabet før, og fortsat i kraft på, datoen for EGF ("**EGF Datoen**")

(under et "**Optionerne**").

Formålet med justeringerne af vilkårene for Optionerne ("**Optionsvilkårene**") og kompensationen af de relevante indehavere af Optionerne (hver især en "**Optionsindehaver**" og under et "**Optionsindehaverne**") er grundlæggende at stille Optionsindehaverne som om, de var aktionærer i selskabet på EGF Datoen.

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## II. PRINCIPPER FOR JUSTERING OG KOMPENSATION

### Indledning

Udnyttelsesprisen for de enkelte Optioner er i de forskellige Optionsvilkår anført i enten DKK eller USD, og udbetalingen den 1. september 2017 blev foretaget i EUR. I sammenfatningen nedenfor er alle beløb anført i EUR. Hvor en valutaomregning har fundet sted, er den af Nationalbanken offentliggjorte relevante valutakurs på EGF Datoen anvendt.

Optionerne består af warrants (der berettiger Optionsholderen til at tegne nye aktier i Selskabet mod betaling af en udnyttelsespris) og deferred share optioner (som berettiger Optionsholderen til, efter Selskabets valg, at enten købe eksisterende aktier eller tegne nye aktier i selskabet mod betaling af kurs pari for aktierne). Teknikken bag de to typer Optioner er imidlertid, i relation til justeringer med henblik på at afværge økonomisk udvanding, identiske og følgende sammenfatning af justeringerne gælder for både warrants og deferred share optioner.

Anvendelsen af de principper, der er fastsat i dette bilag 3, forventes at indebære en udbetaling fra selskabet til Optionsindehaverne på ca. EUR 36,2 mio. i alt.

### 1. Generel justering (uanset modning)

Følgende justeringer skal foretages af alle relevante Optioner, uanset modning:

- (i) Justering af aktier som kan tegnes/købes i henhold til Optionen. En 80 % reduktion af den nominelle værdi af de aktier, som en Option giver Optionsindehaveren ret til at tegne eller, efter omstændighederne, købe. En Option, der hidtil har berettiget Optionsindehaveren til at tegne eller, efter omstændighederne, købe en aktie a nominelt DKK 0,10, skal således fremover berettige Optionsindehaveren til at tegne/købe to aktier a nominelt DKK 0,01 hver (dvs. nominelt DKK 0,02 i alt).
- (ii) Reduktion af Udnyttelsesprisen. Reduktion af udnyttelsesprisen for en Option med et beløb svarende til udbetalingen til aktionærerne på EUR 19,45 pr. aktie a nominelt DKK 0,10 ("**Udlodningen**"), idet den således reducerede udnyttelsespris dog aldrig kan blive under kurs 100 som følge af præceptiv dansk selskabsret. Optionsindehaveren bliver herved kompenseret ved en reduktion af Optionens udnyttelsespris med et beløb lig med den oprindelige udnyttelsespris minus den reducerede udnyttelsespris ("**Udnyttelsespriskompensationen**").

Er udnyttelsesprisen for en Option *lig med eller højere end* EUR 19,45 (minus kurs pari på DKK 0,10) pr. aktie a nominelt DKK 0,01, da skal den reducerede udnyttelsespris pr. aktie a nominelt DKK 0,01 på Gennemførelsesdagen udgøre:

*Samlet antal Optioner med ret til tegning/køb af aktier a DKK 0,10 på EGF Datoen \**

*Reduceret udnyttelsespris pr. aktie a DKK 0,10*

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*Samlet antal Optioner med ret til tegning/køb af aktier a DKK 0,01 pr.  
Gennemførelsesdagen*

Eftersom Optioner i form af deferred share optioner altid skal udnyttes til kurs pari, er deferred share optioner ikke genstand for reduktion af udnyttelsesprisen (bortset fra hvad der følger af aktiesplittet).

## 2. Optioner, der er modnet EGF Datoen

I tillæg til den generelle justering under afsnit 1 skal følgende justering foretages af den del (om nogen) af Optionerne, som er modnet til udnyttelse pr. EGF Datoen:

- (i) Kontant Kompensation. Hvor udnyttelsesprisen for en modnet del af en Option *forud* for justeringen under afsnit 1(ii) ovenfor var *mindre end* EUR 19,45 (minus kurs pari) pr. aktie a nominelt DKK 0,10, skal der udbetales en kontant kompensation til Optionsindehaveren beregnet som følger:

*Udlodningen minus Udnyttelsespriskompensationen minus DKK 0,08 (lig med 80 % af aktiens kurs pari (før aktiesplittet))*

## 3. Optioner, der ikke er modnet pr. EGF Datoen

I tillæg til den generelle justering under afsnit 1 skal følgende justering foretages af den del (om nogen) af Optionerne, som ikke er modnet til udnyttelse pr. EGF Datoen:

- (i) Ret til Tegning af Yderligere Aktier. Der udbetales ingen kontant kompensation til Optionsindehavere for den del af Optioner, der ikke er modnet til udnyttelse på EGF Datoen. Det foreslås, at Optionsindehaveren i stedet kompenseres ved følgende justering af den ikke-modnede del af Optionerne:

Hvor udnyttelsesprisen for en ikke-modnet del af en Option *forud* for justeringen under afsnit 1(ii) ovenfor var *mindre end* EUR 19,45 (minus kurs pari) pr. aktie a nominelt DKK 0,10, skal antallet af ikke-modnede aktier forøges som følger:

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$$\frac{\text{Ikke-kompenseret beløb ("IKB")} * \text{antal ikke-modnede aktier}}{\text{Efterfølgende markedsværdi pr. ADS ("EMPA")/2}}$$

hvor:

- IKB = Ikke-kompenseret beløb pr. ikke-modnet aktie a DKK 0,10 beregnet som
- Udlodningen minus Udnyttelsespriskompensationen minus DKK 0,08 (lig med 80 % af aktiens kurs pari (før aktiesplittet)).*
- EMPA = (a) EUR 5.054086, som er markedsprisen for 1 ADS (repræsenterende to aktier a hver DKK 0,01) efter ex-dividende datoen beregnet som den vægtede (volumen) gennemsnitlige offentliggjorte lukkekurs over ti handelsdage fra og med den anden handelsdag, hvor ADS'erne blev handlet uden ret til modtagelse af dividende fra kapitalnedsættelsen, til og med den 11. handelsdag efter den handelsdag, hvor ADS'erne blev handlet uden ret til modtagelse af dividende fra kapitalnedsættelsen minus (b) DKK 0,02.

#### 4. Illustrativt beregningseksempel

Se underbilag B der indeholder et illustrativt beregningseksempel baseret på principperne ovenfor.

### III. BEMYNDIGELSE AF BESTYRELSEN

Bestyrelsen er bemyndiget til, at:

- (i) anvende de principper for justering og Kompensation, der er fastsat i dette bilag 3, og til at supplere og foretage sådanne modifikationer og tilpasninger heraf, som efter bestyrelsens rimelige vurdering er nødvendig eller ønskelig for at udmønte dette bilag 3's principper for justering og kompensation i hvert enkelt tilfælde;

- (ii) forberede og gennemføre de relevante justeringer af Optionsvilkårene og til at indgå og udstede alle dokumenter og aftaler, der er nødvendige i den forbindelse; og
- (iii) udbetale et sådant kontant kompensationsbeløb til Optionsindehaverne, som er en konsekvens af anvendelse af principperne i dette bilag 3, herunder efter udnyttelse af bestyrelsens bemyndigelse i dette afsnit III,

i hvert enkelt tilfælde med forbehold for den berørte Optionsindehavers forudgående kontraktuelle samtykke, hvor det er nødvendigt

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Seneste ændring af vedtægterne, inklusive bilag, blev vedtaget den 13. april 2021.

## Underbilag A

### Resultat af ekstraordinær generalforsamling august 2017

Der afholdtes ekstraordinær generalforsamling i Forward Pharma A/S ("Selskabet") den 2. august 2017 på Selskabets adresse Østergade 24 A, 1. sal, 1100 København K, Danmark ("EGF"). En aktiekapital på DKK 3.521.856 og 35.218.560 stemmer var repræsenteret på EGF. Resultatet af EGF var følgende:

- (a) Beslutning om gennemførelse af aktiesplit i forholdet 1/10 og nedsættelse af aktiekapitalen til overkurs og udbetaling til aktionærerne med EUR 19,45 pr. aktie a nominelt DKK 0,10 (svarende til EUR 2,43125 pr. aktie a nominelt DKK 0,01 som annulleres) med 35.218.560 stemmer for og 0 stemmer imod, og ingen som undlod at stemme. Forslaget blev vedtaget med det indhold, som var foreslået af bestyrelsen.

**UNDERBILAG B - ILLUSTRATIVT BEREGNINGSEKSEMPEL**

Indehaver:		
Antal warrants med ret til tegning af aktier a DKK 0,10:		90,000
Udnyttelsespris (per aktie a DKK 0,10) :	USD	18.00
Modnede warrants i procent (pr. EGF Datoen) (=15/36):		41.67%
Antal modnede warrants med ret til tegning af aktier a DKK 0,10 (pr. EGF Datoen) (=ROUNDDOWN(D6*D8;0)):		37,500
Antal umodnede warrants med ret til tegning af aktier a DKK 0,10 (pr. EGF Datoen) (=D6-D9):		52,500
Udlodning til aktionærene (pr aktie a DKK 0,10):	EUR	19.45
Udlodning til aktionærene (pr aktie a DKK 0,10) konverteret til USD (=D12*D14/100):	USD	23.01
Valutakurs USD/EUR pr EGF Datoen:		118.29
Valutakurs DKK/USD pr EGF Datoen:		628.83
Valutakurs DKK/EUR pr EGF Datoen:		743.84
Reduceret udnyttelsespris (pr aktie a DKK 0,10) (=MAX((D7-D13);0.1))	DKK	0.10
Reduceret udnyttelsespris (pr aktie a DKK 0,01) (=D18/10)	DKK	0.01
Beløb kompenseret ved reduktion af udnyttelsesprisen (pr aktier a DKK 0,10) (=D7-D18/D15*100)/D14*100)	EUR	15.20
Kontant beløb til udbetaling (pr modnet aktie a DKK 0,10) (=D12-D20)-((0.1/D16*100)*0.8))	EUR	4.23585
Kompensation (=D9*D22):	EUR	158,844.33
Markedspris* for 1 ADS (repræsenterende to aktier a hver DKK 0,01) efter ex-dividende datoen (se fodnoten nedenfor om fastsættelse af markedsprisen til dette formål):	USD	5.9784787480
Markedspris* for 1 ADS (repræsenterende to aktier a hver DKK 0,01) efter ex-dividende datoen konverteret til EUR (=D25/D14*100):	EUR	5.05408635
Ikke-kompenseret beløb pr umodnet aktie a DKK 0,10 (=D12-D20)-((0.1/D16*100)*0.8)):	EUR	4.23585
Ikke kompenseret beløb for alle umodnede aktier a hver DKK 0,10 (=D10*D27):	EUR	222,382.06
Antal yderligere warrants med ret til tegning af aktier a DKK 0,01 (=D28/(D26/2-0.01/D16*100)):		88,048
Antal warrants efter gennemførelse af aktiesplit og kapitalnedsættelse med ret til tegning af aktier a DKK 0,01 (=D6*10*0.2+D29):		268,048
Antal modnede warrants efter gennemførelse af aktiesplit og kapitalnedsættelse med ret til tegning af aktier a DKK 0,01 (=D9*10*0.2):		75,000
Antal umodnede warrants efter gennemførelse af aktiesplit og kapitalnedsættelse med ret til tegning af aktier a DKK 0,01 (=D10*10*0.2+D29):		193,048

\* Markedsprisen for 1 ADS (repræsenterende to aktier af hver DKK 0,01) efter ex-dividende datoen beregnet som den vægtede (volumen) gennemsnitlige offentliggjorte lukkekurs over ti handelsdage fra og med den anden handelsdag, hvor ADS'erne blev handlet uden ret til modtagelse af udlodning fra kapitalnedsættelsen, til og med den 11. handelsdag efter den handelsdag, hvor ADS'erne blev handlet uden ret til modtagelse af udlodning fra kapitalnedsættelsen.

**APPENDIX 3 TO ARTICLES OF ASSOCIATION OF FORWARD PHARMA A/S (CBR-NO. 28865880)****I. BACKGROUND AND PURPOSE**

At the company's extraordinary general meeting on 2 August 2017 (the "EGM"), it was resolved to (i) split the shares of the company into shares of each nominally DKK 0.01, (ii) decrease the company's share capital by nominally DKK 3,774,719.92 (80 % reduction and annulment of shares); and (iii) distribute proceeds to the shareholders of EUR 19.45 per share of nominally DKK 0.10, see the result summary attached hereto as sub-schedule A. The capital decrease and payment of proceeds to the company's shareholders were completed on 1 September 2017 (The "Effective Date").

The financial value of certain warrants and deferred share awards issued by the company to certain employees, board members and consultants, etc. of the group, was diluted by the resolutions adopted at the EGM.

The affected awards that are comprised by the adjustments set out in this appendix 3 are:

- warrants granted pursuant to articles 1.5, 1.6, 1.9, and 1.13 of appendix 1 to the company's articles of association;
- warrants granted pursuant to articles 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 1.10, 1.11, 1.12, 1.13, 1.14, 1.16, 1.17, 1.18, 1.19, 1.20, 1.21 1.22, and 1.23 of appendix 2 to the company's articles of association; and
- deferred share awards granted by the company prior to, and still in force as per, the date of the EGM (the "EGM Date")

(collectively the "Awards").

The purpose of the adjustment of the terms and conditions governing the Awards (the "Award Terms") and compensation of the holders of Awards (each an "Award Holder" and collectively the "Award Holders") is basically to treat the Award Holders as if they had been shareholders in the company on the EGM Date.



## II. ADJUSTMENT AND COMPENSATION PRINCIPLES

### Introduction

Under the various Award Terms, the exercise price of the individual Awards is set out in either DKK or USD currency, and the proceeds were paid out to the shareholders in EUR on 1 September 2017. In the outline below, all amounts are set out in EUR. Where a conversion of currency has taken place, the applicable exchange rates quoted by the Danish National Bank on the EGM Date have been used.

The Awards consist of warrants (which entitle the Award Holder to subscribe for new shares in the company against payment of an exercise price) and deferred share awards (which entitle the Award Holder to, at the choice of the company, purchase existing shares or subscribe for new shares in the company against payment of par value of the shares). However, the mechanics of the two types of Awards are, in relation to relevant adjustments to prevent financial dilution, identical and the following outline of adjustments and compensation is applicable to both warrants and deferred share awards.

The application of the principles set out in this appendix 3 is expected to result in the company's payment of a total cash compensation to Award Holders in the amount of app. mEUR 36.2.

### 1. General adjustment (regardless of vesting)

The following adjustment shall be made to all Awards, regardless of vesting:

- (i) Adjustment of shares that may be subscribed for/purchased pursuant to the Award. An 80 % reduction of the nominal amount of the shares that an Award entitles the Award Holder to subscribe for or purchase (as the case may be). Consequently, where an Award has hitherto entitled the Award Holder to subscribe or purchase (as the case may be) for a share of nominal DKK 0.10, such Award will henceforth entitle the Award Holder to subscribe for/purchase two shares of nominally DKK 0.01 each (i.e. nominally DKK 0.02 in total).
- (ii) Reduction of Exercise Price. Reduction of the exercise price for an Award by an amount corresponding to the distributed proceeds of EUR 19.45 per share of each nominally DKK 0.10 (the "**Proceeds**"), provided always, however, that the so reduced

exercise price cannot be lower than par value of the share as per mandatory Danish company law. The Award Holder is hereby compensated by reduction of the Awards' exercise price by an amount equal to the original exercise less the decreased exercise price (the "**Exercise Price Compensation**").

Where the exercise price for an Award is *equal to or higher than* EUR 19.45 (less par value of DKK 0.10) per share of nominally DKK 0.01, the decreased exercise price per share of nominally DKK 0.01 as per the Effective Date is:

$$\frac{\text{Total number of Awards allowing for subscription/purchase of shares of DKK 0.10 as per EGM Date} * \text{Decreased exercise price per share of DKK 0.10}}{\text{Total number of Awards allowing for subscription/purchase of shares of DKK 0.01 as per Effective Date}}$$

Since Awards in the form of deferred share awards shall always be exercised at par value, deferred share awards will not be subject to a reduction of the exercise price (other than what follows from the share split).

## 2. Awards vested as per EGM Date

In addition to the general adjustment under section 1, the following adjustment shall be made to that part (if any) of the Awards that has vested as per the EGM Date:

- (i) Cash Compensation. Where the exercise price of the vested part of an Award *prior to* the adjustment following from section 1(ii) above was *lower than* EUR 19.45 (less par value) per share of nominally DKK 0.10, a cash compensation per vested share shall be paid out to the Award Holder calculated as follows:

*Proceeds less Exercise Price Compensation less DKK 0.08 (equal to 80 % of the par value of share (pre share split))*

See illustrative calculation example in sub-schedule B.

## 3. Awards not vested as per EGM Date

In addition to the general adjustment under section 1, the following adjustment shall be made to that part (if any) of the Awards that has not vested as per the EGM Date:

- (i) Right to Subscribe for Additional Shares. No cash compensation will be paid out to Award Holders on that part of the Awards that has not vested as per the EGM Date. Instead, it is proposed to compensate the Award Holder by the following adjustment of the unvested part of the Awards:

Where the exercise price of the unvested part of an Award *prior to* the adjustment following from section 1(ii) above was *lower than* EUR 19.45 (less par value) per share of nominally DKK 0.10, then the number of unvested shares should be increased as follows:

$$\frac{\text{Uncompensated Amount ("UA")} * \text{the number of unvested shares}}{\text{Subsequent Market Price per ADS ("SMPA")/2}}$$

where:

UA = Uncompensated amount per unvested share of DKK 0.10 calculated as

*Proceeds less Exercise Price Compensation less DKK 0.08 (equal to 80% of the par value of share (pre share split))*

SMPA = (a) EUR 5.054086, being the market price of 1 ADS (representing two shares of DKK 0.01 each) following the ex-dividend date calculated as the volume weighted average quoted closing price over ten trading days beginning (and including) the 2nd trading day where ADSs are trading without the right to receive dividends from the capital decrease and ending (and including) the 11th trading day after the trading day where ADSs are trading without the right to receive dividends from the capital decrease less (b) DKK 0.02.

#### 4. Illustrative calculation example

See sub-schedule B that includes an illustrative calculation example based on the above principles.

### III. AUTHORIZATION OF THE BOARD OF DIRECTORS

The board of directors is authorized to:

- (iv) utilize the adjustment and compensation principles set out in this appendix 3 and to supplement and make such modifications and adaptations hereof as, in the reasonable opinion of the board of directors, are necessary or desirable in order to utilize the adjustment and compensation principles set out in this appendix 3 in each particular case;
- (v) prepare and complete the relevant adjustments of the Award Terms and to execute and deliver all documents and agreements required in relation thereto; and
- (vi) pay out to the Award Holders the cash compensation amount being the consequence of the application of principles set out herein, including the utilisation of the board of directors' authorisation under this section III,

in each case subject to the Award Holder's prior contractual consent, where required.

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Latest amendment of the articles of association, including appendices, was resolved on 13 April 2021.

## **Sub-schedule A**

### **Results of August 2017 Extraordinary Meeting of Shareholders**

An extraordinary meeting of the shareholders of Forward Pharma A/S (the “Company”) was held on August 2, 2017 at the Company’s offices, Østergade 24A, 1, 1100 Copenhagen K, Denmark (the “Shareholders’ Meeting”). DKK 3,521,856 of the Company’s share capital and 35,218,560 votes, respectively, were represented at the Shareholders’ Meeting. Results of the Shareholders’ Meeting were as follows:

- (a) Adoption of the proposal to make a share split in the ratio 1/10 and decrease the share capital at a premium rate and payment of the proceeds to the shareholders at a rate of EUR 19.45 per share of nominally DKK 0.10 (corresponding to EUR 2.43125 per share of nominally DKK 0.01 being annulled) by 35,218,560 votes in favour, and with 0 votes against and 0 abstentions. The proposal was adopted in the form proposed by the Board of Directors.

**SUB-SCHEDULE B - ILLUSTRATIVE CALCULATION EXAMPLE**

Participant:		
Number of warrants allowing for subscription of shares of DKK 0.10:		90,000
Exercise Price (per share of DKK 0.10):	USD	18.00
Percentage of warrants vested (as of EGM Date) (=15/36):		41.67%
Number of vested warrants allowing for subscription of shares of DKK 0.10 (as of EGM Date) (=ROUNDDOWN(D6*D8;0)):		37,500
Number of unvested warrants allowing for subscription of shares of DKK 0.10 (as of EGM Date) (=D6-D9):		52,500
Distribution of proceeds (per share of DKK 0.10):	EUR	19.45
Distribution of proceeds (per share of DKK 0.10) converted to USD (=D12*D14/100):	USD	23.01
Exchange rate USD/EUR as of the EGM Date:		118.29
Exchange rate DKK/USD as of the EGM Date:		628.83
Exchange rate DKK/EUR as of the date of the EGM Date:		743.84
Decreased Exercise Price (per share of DKK 0.10) (=MAX((D7-D13);0.1))	DKK	0.10
Decreased Exercise Price (per share of DKK 0.01) (=D18/10)	DKK	0.01
Amount compensated by reduction of Exercise Price (per share of DKK 0.10) (=D7-D18/D15*100)/D14*100)	EUR	15.20
Amount payable in cash (per vested share of DKK 0.10) (=D12-D20)-((0.1/D16*100)*0.8))	EUR	4.23585
Compensation (=D9*D22):	EUR	<u>158,844.33</u>
Market price* of 1 ADS (representing two shares of DKK 0.01 each) following the ex-dividend date (see note below for determination of market price for this purpose):	USD	5.9784787480
Market price* of 1 ADS (representing two shares of DKK 0.01 each) following the ex-dividend date converted to EUR (=D25/D14*100):	EUR	5.05408635
Uncompensated amount per unvested share of DKK 0.10 (=D12-D20)-((0.1/D16*100)*0.8)):	EUR	4.23585
Uncompensated amount for all unvested shares of DKK 0.10 each (=D10*D27):	EUR	222,382.06
Number of Additional Shares of DKK 0.01 each (=D28/(D26/2-0.01/D16*100)):		<u>88,048</u>
Number of warrants following completion of share split and capital decrease allowing for subscription of shares of DKK 0.01 (=D6*10*0.2+D29):		268,048
Number of vested warrants following completion of share split and capital decrease allowing for subscription of shares of DKK 0.01 (=D9*10*0.2):		<u>75,000</u>
Number of unvested warrants following completion of share split and capital decrease allowing for subscription of shares of DKK 0.01 (=D10*10*0.2+D29):		<u>193,048</u>

\*The market price of 1 ADS (representing two shares of DKK 0.01 each) following the ex-dividend date has been calculated as the volume weighted average quoted closing price over ten trading days beginning (and including) the 2nd trading day where ADSs are trading without the right to receive dividends from the capital decrease and ending (and including) the 11th trading day after the trading day where ADSs are trading without the right to receive dividends from the capital decrease.

List of Subsidiaries of Forward Pharma A/S

<b>Subsidiaries of the Registrant</b>	<b>State or Other Jurisdiction of Incorporation</b>
Forward Pharma GmbH	Germany
Forward Pharma USA, LLC	Delaware
Forward Pharma FA ApS	Denmark
Forward Pharma Operations ApS	Denmark

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## 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 14, 2021

/s/ Claus Bo Svendsen  
Claus Bo Svendsen  
Principal Executive Officer

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## 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 14, 2021

/s/ Claus Bo Svendsen  
Claus Bo Svendsen  
Principal Financial Officer

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**CERTIFICATION 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, 2020 as filed with the Securities and Exchange Commission (the "Report"), I, Claus Bo Svendsen, Chief Executive Officer, principal executive officer and principal financial 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 14, 2021

/s/ Claus Bo Svendsen

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Claus Bo Svendsen

Principal Executive Officer and Principal Financial Officer

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**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 14, 2021, 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, 2020.

/s/ EY Godkendt Revisionspartnerselskab  
Copenhagen, Denmark  
April 14, 2021

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