

Life Sciences Fund Amsterdam B.V.

Financial statements for filing
for the year 2016

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Limited balance sheet as at 31 December 2016

Assets	31 December 2016	31 December 2015
(in euros)		
Financial Fixed Assets	10,865,655	11,059,774
Current Assets	312,009	54,862
	11,177,664	11,114,636

Liabilities	31 December 2016	31 December 2015
(in euros)		
Equity		
<i>Issued Capital</i>	198,908	198,908
<i>Share premium</i>	8,446,891	7,697,299
<i>Revaluation reserve</i>	6,655,290	5,939,219
<i>Accumulated losses</i>	(4,430,103)	(2,763,680)
	10,870,986	11,071,746
Current liabilities	306,678	42,890
	11,177,664	11,114,636

NOTES

General

Life Sciences Fund Amsterdam B.V. is an independent venture capital fund, founded on 3 February 2009. Its goal is to provide investment capital to fund biomedical entrepreneurial activity in the greater Amsterdam area.

The fund targets companies that are developing commercially promising products and technologies in life sciences, including: pharmaceuticals, biotechnology and other high technology opportunities that offer venture capital returns.

The fund focuses on seed and early stage companies, but also on pre-seed commercially viable academic projects. The benefits of this early funding means that emerging medical breakthroughs in research and technology businesses can be sustained by sufficient venture capital to optimize their chances of success and ultimately provide revenue to the fund's investors and the research groups involved. Once these companies are established with seed funding, the fund will seek to work with other traditional venture capital companies to partner in the effort to advance these technologies.

The fund's office address is: Meibergdreef 5, 1105 AZ Amsterdam, the Netherlands.

Changes in accounting policies

The accounting policies have not changed in 2016.

Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362, subsection 1, Book 2 of the Dutch Civil Code, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement items in question.

Consolidation principles

Participations in which a majority interest is held, are not consolidated based on the exemption of article 2:407 part 1 BW (Dutch Civil Code). Participations are held to exit at a certain moment, which exit is typically defined by a concrete exit strategy.

Principles of accounting

The accompanying financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or current value. The financial statements are presented in euro.

Foreign exchange translation

Other assets and liabilities, denominated in foreign currency, are translated into Euros at the exchange rates on balance sheet date.

Any results from foreign currency translation are included in the profit and loss account except for fixed assets related transactions.

Financial fixed assets

Participations

The participations, that are held for trading, are stated at fair value according to the latest EVCA valuation guidelines. In the first period after the investment has taken place this value is in most cases the historical cost. In due course this value will be adjusted fair value. Changes in the fair value are recognised directly in the income statement. The fair value is based on the following principles:

- Stock quote on balance sheet date if publicly traded;
- Price paid by third party in new financing round;
- Valuation prepared by independent professional third party;
- Estimated future result is significantly lower than the previously expected performance, leading to a permanent decrease in value.

The formal and / or practical restrictions concerning the tradability are taken into account if necessary.

The unrealized gains are being booked against the revaluation reserve. Unrealized losses will be brought against the profit and loss account via an impairment charge, when a revaluation reserve is absent. The fund uses the following scale for determining an impairment (please also refer to Annex A):

- 0% Low risk - Results in line with or better than estimation
- 0% Attention – Results are lagging behind schedule – Concrete evidence of improvements
- 25% Increased attention required - Negative results, substantially below expectations; Sufficient chance for improvements
- 50% Risk - Negative results, substantially below expectations; No concrete evidence for improvement
- 75% High Risk - Results significantly below expectations; Serious structural problems; Great uncertainty about improvement
- 100% Expected loss - No signs of recovery.

Loans

Other receivables disclosed under financial assets include issued loans and are initially measured at fair value and subsequently carried at amortised cost.

Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost. Provision for uncollectible, is credited against receivables.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank balances. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

Liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, being the amount received taking account of any premium or discount, less transaction costs.

Other assets and liabilities

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or current value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred.

Results

Income and expenses are allocated to the financial year to which they relate, except dividend and supervisory board remuneration from investments, which are allocated to the year they are made payable.

Income and expenses are allocated to the financial year they relate to. Expenses are based on the historical cost convention. All amounts are in euros, unless otherwise stated.

Interest paid and received

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned.

Taxes

Taxes are calculated on the result, taking into account existing tax facilities (including losses carried forward, and exempt items and non-deductible expense).

No deferred tax debit caused by fiscal compensable tax losses will be capitalized as long no (fiscal) profits are to be expected.

Limited balance sheet as at 31 December 2016

Financial fixed assets

Participations

(in euros)	2016	2015
Purchase price as at 1 January	5,425,363	4,975,363
Accumulated revaluation as at 1 January	5,634,411	5,825,235
Book value as at 1 January	11,059,774	10,800,598
Investments	486,110	450,000
Divestments	-	-
Revaluation	(680,229)	(190,824)
<i>Changes in book value</i>	259,176	259,176
Purchase price as at 31 December	5,911,473	5,425,363
Accumulated revaluation as at 31 December	4,954,182	5,634,411
Book value as at 31 December	10,865,655	11,059,774

Participations in which Life Sciences Fund Amsterdam B.V. holds an interest of more than 20%:

	Interest
Sigmascreening B.V., Amsterdam, The Netherlands	37,39%
Regenesance B.V., Amsterdam, The Netherlands	41.12%
Caelus Pharmaceuticals B.V., The Netherlands	34.21%
ACS Biomarker B.V., Amsterdam, The Netherlands	24.14%
Mirnext B.V., Amsterdam, The Netherlands	24.14%

Current assets

All current assets are receivable within 1 year.

Shareholders' equity

(in euros)	Issued Capital	Share premium common shares	Share premium preferred shares	Revaluation reserve	Accumulated losses	Total
Balance 31 December 2014	198,908	88,887	7,128,718	5,825,235	(2,167,312)	11,074,436
Changes during the year:						
Issuance share capital	-	-	-	-	-	-
Contribution share premium	-	-	479,694	-	-	479,694
Revaluation	-	-	-	-	-	-
Profit (loss) for the year	-	-	-	113,984	(596,368)	(482,384)
Balance 31 December 2015	198,908	88,887	7,608,412	5,939,219	(2,763,680)	11,071,746
Changes during the year:						
Issuance share capital	-	-	-	-	-	-
Contribution share premium	-	-	749,592	-	-	749,592
Revaluation	-	-	-	-	-	-
Profit (loss) for the year	-	-	-	716,071	(1,666,423)	(950,352)
Balance 31 December 2016	198,908	88,887	8,358,004	6,655,290	4,430,103)	10,870,986

Issued capital

The authorized capital of the Life Sciences Fund Amsterdam B.V. amounts to € 450,000 divided into 225,000 common shares with a par value of € 1.00 and 22,500,000 preferred shares with a par value of € 0.01.

The issued and fully paid-up capital consists of 100.072 common shares and 9.883.601 preferred shares.

Share premium

The share premium consists of the proceeds of issuance of shares over and above their nominal value.

Current liabilities

All current liabilities are due within 1 year.

Employees

The company has no employees.

Contingent liabilities

There are no contingent liabilities.

Amsterdam, 9 June 2016

Seed Fund Management B.V