



LSP Advisory B.V.

Report on the first half of 2013

LSP Advisory B.V.

Financial statements
for the period January until June
2013

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Balance sheet as at 30 June 2013

(before proposed appropriation of result)

Assets	30 June 2013	31 December 2012
(in EUR)		
Fixed Assets		
Tangible fixed assets	59,648	96,901
	59,648	96,901
Current assets		
Receivables from group companies	1,846,824	1,898,561
Taxes and social security premiums	2,213	60
Other receivables	63,388	52,359
Cash and cash equivalents	119,849	57,244
	2,032,274	2,008,224
	2,091,922	2,105,125

Liabilities	30 June 2013	31 December 2012
(in EUR)		
Equity		
Issued capital	18,000	18,000
Share premium	82,000	82,000
General reserve	1,723,860	1,534,808
Result for the year	56,416	189,052
	1,880,276	1,823,860
Current liabilities		
Payable to group companies	20,000	20,000
Other liabilities	191,646	261,265
	211,646	281,265
	2,091,922	2,105,125

Income statement for the period January until June 2013

	01-06/2013	01-06/2012
(in EUR)		
Advisory fee	<u>222,263</u>	<u>275,932</u>
Operating income	222,263	275,932
Other operating expenses	58,296	41,491
Depreciation tangible fixed assets	49,752	96,901
Cost sharing LSP Operations B.V.	<u>57,905</u>	<u>43,906</u>
Operating expenses	165,953	182,298
Operating income (loss)	<u>56,310</u>	<u>93,634</u>
Interest income and similar proceeds	<u>106</u>	<u>721</u>
Financial result	106	721
Income before tax	<u>56,416</u>	<u>94,355</u>
Corporate income tax	-	-
Net income (loss) for the year	<u>56,416</u>	<u>94,355</u>

Notes

General

LSP Advisory B.V. was founded on 3 March 2008 and is registered in Amsterdam, the Netherlands.

Principles of accounting

The accompanying financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the Netherlands.

Receivables are stated at face value less any provisions deemed necessary.

Other assets and liabilities in foreign currencies have been translated into Euros at the exchange rate on balance sheet date. Any results from this are recognised in the income statement.

Other assets and liabilities are stated at face value.

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.

All amounts are in Euro (EUR), unless otherwise stated.

Taxes

LSP Advisory B.V. is part of a fiscal unity with LSP IV Management B.V., LSP Health Economics Management B.V., LSP Operations BV and LSP Management Group B.V. being the ultimate holding company. The income tax for the group is payable at group level and only recorded in the financial statements of the mother. LSP Advisory BV is however jointly and severally liable for the aggregate Corporate Tax liability of this group in case LSP Management Group BV does not timely or fully pays the group's taxes.

Balance sheet as at 30 June 2013

Tangible fixed assets

	01-06/2013	01-12/2012
Purchase price as per beginning of period	193,802	-
Accumulated depreciation as per beginning of period	(96,901)	-
Book value as per beginning of period	96,901	-
Investments	12,500	193,802
Depreciation	(49,753)	(96,901)
Changes in book value	(37,253)	96,901
Purchase price as per end of period	206,302	193,802
Accumulated depreciation as per end of period	(146,654)	(96,901)
Book value as per end of period	59,648	96,901

Current Assets

Receivables from group companies

The receivables from group companies exist of a receivable from LSP Operations B.V. and LSP Management Group B.V.

Taxes and social security premiums

Taxes and social security premiums consist of VAT receivable for the second quarter of 2013.

Other receivables

Other receivables consist of management fee from LSP Life Sciences Fund N.V. of EUR 63K.

Cash and cash equivalents

The cash at banks consists of the balance in the EUR bank account at the ING Bank in Amsterdam. All cash and cash equivalents are available on demand.

Equity

(in EUR)	Issued capital	Share premium	General reserve	Unappropriated result	Total
Balance as at 31 December 2011	18,000	82,000	1,793,565	441,243	2,334,808
Changes during the year					
Transfer of result to reserve			441,243	(441,243)	-
Interim Dividend			(700,000)		(700,000)
Result for the year				189,052	189,052
Balance as at 31 December 2012	18,000	82,000	1,534,808	189,052	1,823,860
Changes during the year					
Transfer of result to reserve			189,052	(189,052)	-
Result for the period				56,416	56,416
Balance as at 30 June 2013	18,000	82,000	1,723,860	56,416	1,880,276

Issued capital

The authorised capital of the company amounts to EUR 90,000, divided in 90,000 common shares, with a par value of EUR 1.00, of which 18,000 shares have been issued and fully paid.

Current liabilities

Payables to group companies

The payables to group companies consist of a payable to LSP Bioventures Inc.

Other liabilities

Other liabilities consist of various expenses made in the first half year of 2013, which will be paid before year end 2013.

Income Statement for the period January until June 2013

Advisory fee

LSP Advisory BV has concluded an investment advisory agreement with LSP Life Sciences Fund N.V. pursuant to which the Manager will be entitled to a fixed advisory fee per year as a percentage of the average Net Asset Value of the Portfolio during that year.

Personnel

The company has no employees.

Other operating expenses

	01-06/2013	01-06/2012
Advisory costs	23,061	20,177
Travel, meeting and representation expenses	35,156	21,256
Other costs	79	58
Total other operating expenses	58,296	41,491

Cost sharing LSP Operations B.V.

	01-06/2013	01-06/2012
Cost sharing LSP Operations B.V.	57,905	43,906

Cost sharing agreement

On 1st of January 2008 a cost sharing agreement between LSP Operations B.V., Life Sciences Partners Management B.V., LSP II Management B.V., LSP III Management B.V., LSP IV Management B.V., LSP Bioventures Management B.V., LSP Health Economics Fund Management B.V. and LSP Advisory B.V. became in effect.

In this agreement it is stipulated that LSP Advisory B.V. shares cost in the amount of 0.25% of the yearly Net Asset Value of the portfolios managed by LSP Advisory B.V. with a minimum of EUR 25K. For the first half year of 2013 this cost sharing amounted to EUR 58K.

Contingent liabilities

At the end of June 2013 there were no contingent liabilities.

Amsterdam, 30 August 2013

As Statutory Directors

M. A. Wegter

J.P.P. Muijers

G.P. O’Keeffe

Other information

Statutory regulations as to appropriation of profit

According to Article 21 of the Articles of Association, profit as evidenced by the adopted financial statements shall be at the disposal of the General Meeting of Shareholders.

The Company may only make payments from the distributable profit to the shareholders and other parties having a profit entitlement in so far as its shareholders' equity exceeds the value of the paid-in portion of the capital augmented by such reserves as required to be maintained, either by law or, in so far as applicable, pursuant to these Articles of Association.