



LSP Advisory B.V.

Annual Report 2011

LSP
Life Sciences Partners

LSP Advisory B.V.

**Financial statements
for the year 2011**



KPMG Audit
Document to which our report dated

25 APR 2012

also refers.
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Balance sheet as at 31 December 2011

(before proposed appropriation of result)

Assets	31 December 2011	31 December 2010
(in EUR)		
Current assets		
Other receivables	172,463	5,501,296
Receivables from group companies	1,837,125	-
Cash and cash equivalents	749,644	33,853
	2,759,232	5,535,149
	2,759,232	5,535,149
Liabilities		
(in EUR)		
Equity		
Issued capital	18,000	18,000
Share premium	82,000	82,000
General reserve	1,793,565	250,215
Result for the year	441,243	4,293,350
	2,334,808	4,643,565
Current liabilities		
Payable to group companies	20,832	811,117
Taxes and social security premiums	27,585	15,075
Other liabilities	376,007	65,392
	424,424	891,584
	2,759,232	5,535,149



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Income statement for the year 2011

	2011	2010
(in EUR)		
Management and advisory fee	832,692	471,635
Performance fee	-	5,361,265
Operating income	832,692	5,832,900
Other operating expenses	139,511	1,384,113
Cost sharing LSP Operations B.V.	254,161	156,212
Operating expenses	393,672	1,540,325
Operating income (loss)	439,020	4,292,575
Interest income and similar proceeds	2,223	775
Financial result	2,223	775
Income before tax	441,243	4,293,350
Corporate income tax	-	-
Net income (loss) for the year	441,243	4,293,350



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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 BV is part of a fiscal unity with LSP Management Group BV 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.



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Balance sheet as at 31 December 2011

Current Assets

Other receivables

Other receivables consist of a down payment in relation to company cars to be acquired of EUR 16K, costs paid in advance of EUR 6.5K as well as advisory fee regarding the 4th quarter of 2011 to be received of EUR 108.8K and management fee regarding December 2011 of EUR 41.2K.

Receivables from group companies

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

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 2009	18,000	82,000	37,112	848,103	985,215
Changes during the year					
Transfer of result to reserve			848,103	(848,103)	-
Interim Dividend			(635,000)		(635,000)
Result for the year				4,293,350	4,293,350
Balance as at 31 December 2010	18,000	82,000	250,215	4,293,350	4,643,565
Changes during the year					
Transfer of result to reserve			4,293,350	(4,293,350)	-
Interim Dividend			(2,750,000)		(2,750,000)
Result for the year				441,243	441,243
Balance as at 31 December 2011	18,000	82,000	1,793,565	441,243	2,334,808

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.



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Current liabilities

Payables to group companies

The payables to group companies consist of a payable to LSP II Management B.V., LSP III Management B.V. and LSP Bioventures Inc.

Taxes and social security premiums

Taxes and social security premiums consist of VAT payable for the fourth quarter of 2011.

Other liabilities

Other liabilities consist of various expenses made in 2011, which will be paid in 2012.

Income Statement for the year 2011

Management and advisory fee

LSP Advisory BV has concluded an investment advisory agreement with APG Algemene Pensioen Groep 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.

LSP Advisory B.V. has concluded a fund management agreement with LSP Life Sciences Fund pursuant to which the Manager will be entitled to an annual Management Fee equal to 1.5% per annum of the Net Asset Value excluding (i.e. before deduction of) the accrued Management Fee.

Personnel

The company has no employees.

Other operating expenses

	2011	2010
Advisory costs	82,274	121,718
Supervisory board remuneration	10,000	20,000
Travel, meeting and representation expenses	21,516	25,215
Performance based remuneration	-	1,188,753
Other costs	25,721	28,427
Total other operating expenses	139,511	1,384,113



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Cost sharing LSP Operations B.V.

	2011	2010
Cost sharing LSP Operations B.V.	254,161	156,212

Cost sharing agreement

On the 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. 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 portfolio(s) managed by LSP Advisory B.V. with a minimum of EUR 25K. For 2011 this cost sharing amounts to EUR 271K.

Contingent liabilities

At the end of the year 2011 there is an outstanding commitment to Fisker Nederland to acquire company cars for a total amount of EUR 210K.

Amsterdam, April 25, 2012

As Statutory Directors

M.A. Wegter

J.P.P. Muijers

As Supervisory Board Member

M.R. Scholten



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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.

Appropriation of profit

It is proposed to add the result for the year to general reserve. This proposal has not been included in the financial statements.



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Independent auditor's report

To: The management and shareholders of LSP Advisory B.V.

Report on the financial statements

We have audited the accompanying financial statements 2011 of LSP Advisory B.V., Amsterdam, which comprise the balance sheet as at 31 December 2011, the income statement for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements, in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of LSP Advisory B.V. as at 31 December 2011 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirements under Section 2:393 sub 5 at e of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the information as required under Section 2:392 sub 1 at b - h has been annexed.

Amstelveen, 25 April 2012

KPMG ACCOUNTANTS N.V.

Drs. E.P. Groenteman RA