

**Navitas Life Sciences A/S**  
**Venlighedsvej 6, 2970 Hørsholm**  
**Annual report for 2018/19**

**CVR no. 10 13 20 29**

Adopted at the annual general meeting on 22 October 2019

chairman: Martinus Theodorus Boom

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## Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Navitas Life Sciences A/S for the financial year 1 April 2018 - 31 March 2019.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 March 2019 and of the results of the company's operations for the financial year 1 April 2018 - 31 March 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Horsholm, 22 October 2019



Executive board

Martinus Theodorus Boom  
CEO

Supervisory board



Lalit Kantra Mahapatra  
chairman



Ashokkumar Nagarajan



Priya Jebarani Aldam

## Independent auditor's report

*To the shareholder of Navitas Life Sciences A/S*

### Opinion

We have audited the financial statements of Navitas Life Sciences A/S for the financial year 1 April 2018 - 31 March 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 March 2019 and of the results of the company's operations for the financial year 1 April 2018 - 31 March 2019 in accordance with the Danish Financial Statements Act.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

## Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

## Independent auditor's report

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 22 October 2019

Ecovis Danmark  
statsautoriseret revisionsinteressentskab  
CVR no. 28 93 95 23

Kurt Bülow  
Statsautoriseret revisor  
MNE no. mne3112

## Company details

<b>The company</b>	Navitas Life Sciences A/S Venlighedsvej 6 2970 Hørsholm CVR no.: 10 13 20 29 Reporting period: 1 April 2018 - 31 March 2019 Domicile: Rudersdal
<b>Supervisory board</b>	Lalit Kantra Mahapatra, chairman Ashokkumar Nagarajan Priya Jebarani Aldam
<b>Executive board</b>	Martinus Theodorus Boom
<b>Auditors</b>	Ecovis Danmark statsautoriseret revisionsinteressentskab St. Kongensgade 36, 3.th 1264 København K
<b>Bankers</b>	Nordea
<b>Consolidated financial statements</b>	The company is reflected in the group report as the parent company Navitas Life Sciences GmbH

## Management's review

### Business activities

Navitas Life Sciences A/S is a Contract Research Organisation which offers a full range of services for medicinal product development to investors, product developers and entrepreneurial companies, and has a presence in the Nordic area. Navitas Life Sciences AS meets the need of its clients for getting their medicinal products to the market fast and efficiently. The company works as a strategic partner for the local pharmaceutical, biotech and medical device industry in clinical development, contributing to fulfillment of their goals and future demands for clinical documentation. The wide range of services within medicine and medical device development is managed by highly qualified and motivated employees.



## Income statement 1 April - 31 March

	Note	2018/2019 DKK	2017/2018 DKK
<b>Gross profit</b>		<b>3.746.121</b>	<b>694.199</b>
Staff costs	2	-5.595.048	-3.415.760
<b>Profit/loss before interest taxes depreciation and amortization</b>		<b>-1.848.927</b>	<b>-2.721.561</b>
Income from investments in subsidiaries		0	-499.746
Financial costs		-51.899	35.126
<b>Profit/loss before tax</b>		<b>-1.900.826</b>	<b>-3.186.181</b>
Tax on profit/loss for the year	3	0	0
<b>Profit/loss for the year</b>		<b>-1.900.826</b>	<b>-3.186.181</b>

## Distribution of profit

	2018/2019 DKK	2017/2018 DKK
Retained earnings	-1.900.826	-3.186.181
	<b>-1.900.826</b>	<b>-3.186.181</b>

## Balance sheet 31 March

	Note	2018/19 DKK	2017/18 DKK
<b>Assets</b>			
Other fixtures and fittings, tools and equipment		0	0
<b>Tangible assets</b>		<b>0</b>	<b>0</b>
Other receivables		140.812	137.541
Deferred tax assets		0	0
<b>Fixed asset investments</b>		<b>140.812</b>	<b>137.541</b>
<b>Total non-current assets</b>		<b>140.812</b>	<b>137.541</b>
Trade receivables		371.925	884.613
Other receivables		51.891	66.193
Deferred tax asset		500.000	500.000
Prepayments		43.414	39.814
<b>Receivables</b>		<b>967.230</b>	<b>1.490.620</b>
<b>Cash at bank and in hand</b>		<b>284.760</b>	<b>305.731</b>
<b>Total current assets</b>		<b>1.251.990</b>	<b>1.796.351</b>
<b>Total assets</b>		<b>1.392.802</b>	<b>1.933.892</b>

## Balance sheet 31 March

	Note	2018/19 DKK	2017/18 DKK
<b>Equity and liabilities</b>			
Share capital		4.497.000	4.497.000
Retained earnings		-8.818.670	-6.917.844
<b>Equity</b>		<b>-4.321.670</b>	<b>-2.420.844</b>
Trade payables		164.311	2.352.879
Payables to subsidiaries		4.818.473	1.398.832
Other payables		731.688	603.025
<b>Total current liabilities</b>		<b>5.714.472</b>	<b>4.354.736</b>
<b>Total liabilities</b>		<b>5.714.472</b>	<b>4.354.736</b>
<b>Total equity and liabilities</b>		<b>1.392.802</b>	<b>1.933.892</b>
Uncertainty about the continued operation (going concern)	1		
Contingencies, etc.	6		
Mortgages and collateral	7		
Related parties and ownership structure	8		

**Statement of changes in equity**

	<u>Share capital</u>	<u>Retained ear- nings</u>	<u>Total</u>
Equity at 1 April 2018	4.497.000	-6.917.844	-2.420.844
Net profit/loss for the year	0	-1.900.826	-1.900.826
<b>Equity at 31 March 2019</b>	<b>4.497.000</b>	<b>-8.818.670</b>	<b>-4.321.670</b>

## Notes

### 1 Uncertainty about the continued operation (going concern)

Sole share holder Navitas Life Sciences GmbH have declared that it will support Navitas Life Science A/S economic and financial, to ensure the activities in the subsidiary in the next 12 months from General Assembly for the financial year 2019.

	<u>2018/2019</u> DKK	<u>2017/2018</u> DKK
<b>2 Staff costs</b>		
Wages and salaries	4.648.852	2.912.301
Pensions	275.088	178.480
Other social security costs	520.532	189.552
Other staff costs	150.576	135.427
	<u>5.595.048</u>	<u>3.415.760</u>
Average number of employees	<u>5</u>	<u>4</u>

	<u>2018/2019</u> DKK	<u>2017/2018</u> DKK
<b>3 Tax on profit/loss for the year</b>		
Tax on profit/loss for the year is calculated as follows:		
Calculated 22% tax on profit/loss for the year before tax	-418.182	-700.960
Tax effect of:		
Tax on non-deductible expenses and non-taxable income	332.146	332.146
Non-capitalised deferred tax	86.036	368.814
	<u>0</u>	<u>0</u>

## Notes

### 4 Tangible assets

	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 April 2018	100.000
Cost at 31 March 2019	100.000
Impairment losses and depreciation at 1 April 2018	100.000
Impairment losses and depreciation at 31 March 2019	100.000
<b>Carrying amount at 31 March 2019</b>	<b>0</b>

	<u>2018/19</u> DKK	<u>2017/18</u> DKK
<b>5 Investments in subsidiaries</b>		
Cost at 1 April 2018	7	7
Cost at 31 March 2019	7	7
Revaluations at 1 April 2018	0	499.739
Net profit/loss for the year	-7	-499.746
Revaluations at 31 March 2019	-7	-7
<b>Carrying amount at 31 March 2019</b>	<b>0</b>	<b>0</b>

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Registered office</u>	<u>Ownership inte- rest</u>	<u>Equity</u>	<u>Profit/loss for the year</u>
Navitas Life Sciences Pte Ltd	Singapore	100%	-622.619	-566.279

## Notes

### 6 Contingencies, etc.

"The company's lease can be terminated with ten months notice. Total payments in the remaining period amount to approx TDKK 347."

### 7 Mortgages and collateral

The company has a registered mortgage deed for a limited amount of T.DKK 3,000 secured on current and future acquisitions of operating equipment and fixtures according to the rules of corporate mortgage (floating charge). As of 31/3 2019 the mortgage are not pledged as security for any debt.

### 8 Related parties and ownership structure

#### Controlling interest

Navitas Life Sciences GmbH

#### Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Navitas Life Sciences GmbH

#### Consolidated financial statements

The company is reflected in the group report as the parent company Navitas Life Sciences GmbH

## Accounting policies

The annual report of Navitas Life Sciences A/S for 2018/19 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2018/19 is presented in DKK

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

### Income statement

#### Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

#### Revenue

Income is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.



## Accounting policies

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

### Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

### Profit/loss from investments in subsidiaries and associates

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the company's income statement after full elimination of intra-group profits/losses.

The proportionate share of the profit/loss for the year of associates is recognised in the company's income statement after elimination of the proportionate share of intra-group profits/gains.

### Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

## Balance sheet

### Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

## Accounting policies

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	5 years	0 %

Assets costing less than DKK 13.500 are expensed in the year of acquisition.

### Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method.

Investments in subsidiaries and associates with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries and associates are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of Navitas Life Sciences A/S is adopted are not taken to the net revaluation reserve.

Acquisitions are accounted for using the purchase method, cf. the above description of the statement of goodwill.

### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Receivables for which there is no objective evidence of individual impairment are tested for impairment on a portfolio basis. The portfolios are primarily based on debtors' domicile and credit ratings in accordance with the Company's credit risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

## Accounting policies

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

### Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

### Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In case where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Any changes in deferred tax are recognized in the income statement.

### Liabilities

Liabilities, which include trade receivables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

## Accounting policies

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries and associates are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of such entities opening equity at closing rate and on translation of the income statements from the exchange rates at the transaction date to closing rate are taken directly to equity.

Foreign exchange adjustments of balances with separate entities which are considered part of the investment in the subsidiary are taken directly to equity. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments entered into to hedge net investments in such entities are taken directly to equity.