

## **Contura A/S**

Sydmarken 23, 2860 Søborg

**CVR no. 25 05 77 16**

**Annual report for the period  
1 January to 31 December 2020**

Adopted at the annual general meeting on 21 June  
2021

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Rakesh Chhaganlal Tailor  
chairman



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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 Contura A/S for the financial year 1 January - 31 December 2020.

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 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

In our opinion, management's review includes a fair review of the matters dealt with in the annual report for the financial year.

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

Søborg, 21 June 2021

### Executive board

Ieva Ankorina-Stark

### Supervisory board

Rakesh Chhaganlal Tailor  
Chairman

Patrick John Banks

Ieva Ankorina-Stark

Graham Julian Fraser-Pye

## Independent auditor's report

### *To the shareholder of Contura A/S*

#### **Opinion**

We have audited the financial statements of Contura A/S for the financial year 1 January - 31 December 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 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.

## Independent auditor's report

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

- 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.

## Independent auditor's report

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.

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, 21 June 2021

**Baker Tilly Denmark**  
Godkendt Revisionspartnerselskab  
CVR no. 35 25 76 91

Ramazan Turan  
statsautoriseret revisor  
MNE no. mne32779

## Company details

The company	Contura A/S Sydmarken 23 2860 Søborg CVR no.: 25 05 77 16 Reporting period: 1 January - 31 December 2020 Incorporated: 15 November 1999 Domicile: Gladsaxe
Supervisory board	Rakesh Chhaganlal Tailor, chairman Patrick John Banks Ieva Ankorina-Stark Graham Julian Fraser-Pye
Executive board	Ieva Ankorina-Stark
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby

## Management's review

### Business review

The company's primary activity is to be the holding company for the Contura Group in Scandinavia and to develop and own intellectual property rights, including patents, of the Contura Group in Scandinavia.

### Financial review

The company's income statement for the year ended 31 December 2020 shows a profit of DKK 5.185.470, and the balance sheet at 31 December 2020 shows equity of DKK 69.541.281.

Management has assessed the likely impact of Covid-19 upon the company's business and is confident that it is well placed to weather any contribution of the downturn that resulted from Covid-19 in 2020.

### Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.



## Income statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
Other operating income		1.360.805	2.006.312
Other external costs		-1.259.542	-971.493
<b>Gross profit</b>		<b>101.263</b>	<b>1.034.819</b>
Depreciation, amortisation and impairment of intangible assets		-2.047.921	0
Income from investments in subsidiaries		7.203.476	7.431.879
Financial income	1	365.378	1.600.617
Financial costs	2	-3.474.823	-3.133.782
<b>Profit/loss before tax</b>		<b>2.147.373</b>	<b>6.933.533</b>
Tax on profit/loss for the year	3	3.038.097	2.142.744
<b>Profit/loss for the year</b>		<b>5.185.470</b>	<b>9.076.277</b>

## Recommended appropriation of profit/loss

Reserve for net revaluation under the equity method		7.203.476	7.480.937
Transferred to reserve for development expenditure		6.659.786	7.205.032
Retained earnings		-8.677.792	-5.609.692
		<b>5.185.470</b>	<b>9.076.277</b>

## Balance sheet 31 December

	Note	2020	2019
		DKK	DKK
<b>Assets</b>			
Completed development projects		25.301.660	0
Development projects in progress		19.824.500	36.587.972
<b>Intangible assets</b>	4	<b>45.126.160</b>	<b>36.587.972</b>
Investments in group enterprises	5	116.352.881	109.149.405
<b>Fixed asset investments</b>		<b>116.352.881</b>	<b>109.149.405</b>
<b>Total non-current assets</b>		<b>161.479.041</b>	<b>145.737.377</b>
Receivables from group enterprises		9.142.878	9.227.181
Other receivables		1.155.669	862.384
Corporation tax		2.885.535	1.948.644
Joint taxation contributions receivable		1.849.581	945.100
<b>Receivables</b>		<b>15.033.663</b>	<b>12.983.309</b>
<b>Cash at bank and in hand</b>		<b>1.350</b>	<b>4.073</b>
<b>Total current assets</b>		<b>15.035.013</b>	<b>12.987.382</b>
<b>Total assets</b>		<b>176.514.054</b>	<b>158.724.759</b>

## Balance sheet 31 December

	Note	2020	2019
		DKK	DKK
<b>Equity and liabilities</b>			
Share capital		1.010.000	1.010.000
Reserve for net revaluation under the equity method		30.825.398	23.621.922
Reserve for development expenditure		35.198.404	28.538.618
Retained earnings		2.507.479	11.185.271
<b>Equity</b>		<b>69.541.281</b>	<b>64.355.811</b>
Other payables		12.750.000	13.500.000
Payables to group enterprises		92.006.134	0
<b>Total non-current liabilities</b>		<b>104.756.134</b>	<b>13.500.000</b>
Short-term part of long-term debet		600.000	600.000
Trade payables		225.213	180.127
Payables to group enterprises		0	79.939.771
Corporation tax		1.096.788	0
Other payables		294.638	149.050
<b>Total current liabilities</b>		<b>2.216.639</b>	<b>80.868.948</b>
<b>Total liabilities</b>		<b>106.972.773</b>	<b>94.368.948</b>
<b>Total equity and liabilities</b>		<b>176.514.054</b>	<b>158.724.759</b>
Contingent liabilities	6		
Mortgages and collateral	7		

## Statement of changes in equity

	Share capital	Reserve for net revalua- tion under the equity method	Reserve for development expenditure	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	1.010.000	23.621.922	28.538.618	11.185.271	64.355.811
Net profit/loss for the year	0	7.203.476	6.659.786	-8.677.792	5.185.470
<b>Equity at 31 December</b>	<b>1.010.000</b>	<b>30.825.398</b>	<b>35.198.404</b>	<b>2.507.479</b>	<b>69.541.281</b>

## Notes

	2020	2019
	DKK	DKK
<b>1 Financial income</b>		
Interest received from group enterprises	365.378	1.088.273
Other financial income	0	512.344
	<u><b>365.378</b></u>	<u><b>1.600.617</b></u>
<b>2 Financial costs</b>		
Interest paid to group enterprises	3.051.970	3.118.017
Other financial costs	422.853	15.765
	<u><b>3.474.823</b></u>	<u><b>3.133.782</b></u>
<b>3 Tax on profit/loss for the year</b>		
Current tax for the year	-1.188.516	-1.197.644
Joint taxation contribution	-1.849.581	-945.100
	<u><b>-3.038.097</b></u>	<u><b>-2.142.744</b></u>

## Notes

### 4 Intangible assets

	Completed development projects <u>DKK</u>	Development projects in progress <u>DKK</u>
Cost at 1 January	0	36.587.972
Additions for the year	4.230.144	6.355.965
Transfers for the year	23.119.437	-23.119.437
Cost at 31 December	<u>27.349.581</u>	<u>19.824.500</u>
Depreciation for the year	<u>2.047.921</u>	<u>0</u>
Impairment losses and amortisation at 31 December	<u>2.047.921</u>	<u>0</u>
<b>Carrying amount at 31 December</b>	<b><u>25.301.660</u></b>	<b><u>19.824.500</u></b>

#### Special assumptions regarding development projects and tax assets

The Company has capitalised external development costs relating to two programs. The first program relates to development costs incurred in connection with the approval of the Company's stress incontinence product, Bulkamid, in the United States. The second program relates to the use of the Company's hydrogel technology for the treatment of osteoarthritis. Bulkamid was approved and launched onto the market in the United States and accordingly, this program has now been transferred to completed development projects.

## Notes

	2020 DKK	2019 DKK
<b>5 Investments in group enterprises</b>		
Cost at 1 January	85.527.483	85.527.483
Cost at 31 December	85.527.483	85.527.483
Revaluations at 1 January	23.621.922	16.190.049
Revaluations for the year, net	7.203.476	7.431.873
Revaluations at 31 December	30.825.398	23.621.922
<b>Carrying amount at 31 December</b>	<b>116.352.881</b>	<b>109.149.405</b>

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest
Contura International A/S	Gladsaxe	100%
Contura Properties A/S	Gladsaxe	100%

## 6 Contingent liabilities

The company serves as an administration company in Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the company is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed entities, and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the entities.

The company has unlimited pledge towards Contura International A/S.

## 7 Mortgages and collateral

The company has entered into a floating charge over certain of its assets in the amount of DKK 5.000 thousand to secure the borrowings of the company and of its subsidiary undertakings.

## Accounting policies

The annual report of Contura A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

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

### 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 installments, 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

#### Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

#### Other external costs

Other external costs include expenses related to administration.

#### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets.



## Accounting policies

### 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 and surcharges and allowances under the advance-payment-of-tax scheme, etc.

### Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

The company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, 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

### Intangible assets

#### *Development projects*

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development projects are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred, less deferred tax, is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as external investments that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years.

## Accounting policies

### Investments in group enterprises

Investments in group enterprises 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 group enterprises 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 group enterprises are taken to the net revaluation reserve according to the equity method in so far as the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of Contura A/S is adopted are not taken to the net revaluation reserve.

Acquirees are accounted for using the purchase method, see the above description of consolidated financial statements and calculation of goodwill.

### Receivables

Receivables are measured at amortised cost.

### Income tax and deferred tax

As management company, Contura A/S is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

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 is measured at net realisable value.

### Liabilities

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