



Contura A/S

Sydmarken 23, 2860 Søborg

CVR no. 25 05 77 16

Annual report for the period 1 January to 31 December 2023

Godkendt på selskabets ordinære generalforsamling den 5 July 2024

Rakesh Chhaganlal Tailor
Chairman




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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Contura A/S for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

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, 5 July 2024

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 2023, 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 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 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 and IESBA Code. 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 judgement and maintain professional scepticism 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.

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.

Independent auditor's report

Copenhagen, 5 July 2024

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

Ramazan Turan
statsautoriseret revisor
mne32779

Company details

The company	Contura A/S Sydmarken 23 2860 Søborg CVR no.: 25 05 77 16 Reporting period: 1 January - 31 December 2023 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
Consolidated financial statements	The company is included in the consolidated financial statements of the parent company Contura International Limited

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 2023 shows a profit of DKK 14.770.792, and the balance sheet at 31 December 2023 shows equity of DKK 105.900.571.

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	2023	2022
		DKK	DKK
Gross profit		-1.032.615	3.869.747
Depreciation, amortisation and impairment of intangible assets		-1.615.329	-2.745.114
Profit/loss before net financials		-2.647.944	1.124.633
Income from investments in subsidiaries		19.672.408	9.533.346
Financial income	1	352.945	689.075
Financial costs	2	-5.097.415	-4.439.739
Profit/loss before tax		12.279.994	6.907.315
Tax on profit/loss for the year	3	2.490.798	-1.084.726
Profit/loss for the year		14.770.792	5.822.589
Recommended appropriation of profit/loss			
Reserve for net revaluation under the equity method		19.672.410	9.533.345
Transferred to reserve for development expenditure		4.351.239	3.252.093
Retained earnings		-9.252.857	-6.962.849
		14.770.792	5.822.589

Balance sheet 31 December

	Note	2023	2022
		DKK	DKK
Assets			
Rights		18.177.369	19.792.698
Development projects in progress		34.099.232	28.520.721
Intangible assets	4	52.276.601	48.313.419
Investments in group enterprises	5	161.060.633	141.388.223
Fixed asset investments		161.060.633	141.388.223
Total non-current assets		213.337.234	189.701.642
Trade receivables		1.611.719	0
Receivables from group enterprises		23.785.400	14.961.560
Other receivables		0	293.423
Joint taxation contributions receivable		2.490.798	1.351.075
Receivables		27.887.917	16.606.058
Cash at bank and in hand		100.764	364
Total current assets		27.988.681	16.606.422
Total assets		241.325.915	206.308.064

Balance sheet 31 December

	Note	2023	2022
		DKK	DKK
Equity and liabilities			
Share capital		20.000.000	1.010.000
Reserve for net revaluation under the equity method		75.533.150	55.860.740
Reserve for development expenditure		26.597.401	22.246.162
Retained earnings		-16.229.980	-6.977.123
Equity		105.900.571	72.139.779
Payables to subsidiaries		25.972.757	0
Total non-current liabilities		25.972.757	0
Trade payables		248.094	40.036
Payables to group enterprises		107.392.988	134.078.749
Other payables		1.811.505	49.500
Total current liabilities		109.452.587	134.168.285
Total liabilities		135.425.344	134.168.285
Total equity and liabilities		241.325.915	206.308.064
Contingent liabilities	6		
Mortgages and collateral	7		

Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Reserve for development expenditure	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	1.010.000	55.860.740	22.246.162	-6.977.123	72.139.779
Cash capital increase	18.990.000	0	0	0	18.990.000
Net profit/loss for the year	0	19.672.410	4.351.239	-9.252.857	14.770.792
Equity at 31 December	20.000.000	75.533.150	26.597.401	-16.229.980	105.900.571

Notes

	2023	2022
	DKK	DKK
1 Financial income		
Interest received from group enterprises	0	54.270
Other financial income	352.945	634.805
	352.945	689.075
2 Financial costs		
Interest paid to group enterprises	3.473.912	3.904.699
Other financial costs	1.623.503	535.040
	5.097.415	4.439.739
3 Tax on profit/loss for the year		
Current tax for the year	-2.490.798	-1.351.029
Adjustment of tax concerning taxcredit regarding previous years	0	2.435.755
	-2.490.798	1.084.726

Notes

4 Intangible assets

	Rights	Development projects in progress	Total
	DKK	DKK	DKK
Cost at 1 January	27.349.581	28.520.721	55.870.302
Additions for the year	0	5.578.511	5.578.511
Cost at 31 December	27.349.581	34.099.232	61.448.813
Impairment losses and amortisation at 1 January	7.556.883	0	7.556.883
Depreciation for the year	1.615.329	0	1.615.329
Impairment losses and amortisation at 31 December	9.172.212	0	9.172.212
Carrying amount at 31 December	18.177.369	34.099.232	52.276.601

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 is now being manufactured and sold to a third party under a "manufacturing and supply agreement". Accordingly, this program has been transferred to "Rights".

5 Investments in group enterprises

	2023	2022
	DKK	DKK
Cost at 1 January	85.527.483	85.527.483
Cost at 31 December	85.527.483	85.527.483
Revaluations at 1 January	55.860.740	46.327.395
Revaluations for the year, net	19.672.410	9.533.345
Revaluations at 31 December	75.533.150	55.860.740
Carrying amount at 31 December	161.060.633	141.388.223

Notes

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
Contura International A/S	Gladsaxe	100%	140.353.796	19.876.232
Contura Properties A/S	Gladsaxe	100%	21.113.479	203.824
			161.467.275	20.080.056

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 t.DKK 5.000 to secure the borrowings of the company and of its subsidiary undertakings.

Accounting policies

The annual report of Contura A/S for 2023 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.

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

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

The item Other operating income includes 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, operating losses, indemnities relating to operating losses and conflicts as well as payroll refunds. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

Other external costs

Other external costs include expenses related to administration.

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

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 of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

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 and Rights

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

Completed development projects and Rights 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 subsidiaries.

Investments in subsidiaries 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. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Investments in subsidiaries 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, associates and participating interests 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 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

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.