



## **Contura International A/S**


Sydmarken 23, 2860 Søborg

**CVR no. 27 05 08 32**

### **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 International 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 shareholders of Contura International A/S*

### **Opinion**

We have audited the financial statements of Contura International 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

Contura International A/S  
Sydmarken 23  
2860 Søborg

CVR-no. 27 05 08 32

Financial year: 1 January - 31 December 2023  
Financial year: 21st financial year

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 Contura International Ltd.

The consolidated financial statements of may be obtained at the following address:  
Contura International Ltd.  
14 Took's Court  
London  
EC4A 1LB

## Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	179.645	91.821	67.845	61.177	60.161
Gross profit	98.425	45.852	38.804	23.731	18.762
Profit/loss before net financials	32.903	8.315	19.630	7.812	1.473
Net financials	-7.647	3.007	-496	1.043	2.069
Profit/loss for the year	19.876	9.705	15.340	6.929	2.445
<b>Balance sheet</b>					
Balance sheet total	295.807	218.146	184.370	141.328	119.802
Equity	140.354	120.478	110.772	95.432	88.503
<b>Financial ratios</b>					
Gross margin	54,8%	49,9%	57,2%	38,8%	31,2%
EBIT margin	18,3%	9,1%	28,9%	12,8%	2,4%
Return on assets	12,8%	4,1%	12,1%	6,0%	1,2%
Solvency ratio	47,4%	55,2%	60,1%	67,5%	73,9%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies..



## Management's review

### Business review

Contura International A/S develops and manufactures innovative medical products for use within human orthopedics, urology and bowel, and animal health using its unique polyacrylamide hydrogel technology.

### Recognition and measurement uncertainties

The recognition and measurement of items in the annual report are not associated with any material uncertainties.

Management make provisions for doubtful debtors based on the risk of loss due to a customers' inability to pay. If a customers' financial conditions deteriorates further, leading to a decrease in their ability to pay, then additional provisions will be made. Management continuously assess customers' creditworthiness, payment terms, and risk of loss, so the uncertainty associated with provisions on doubtful debtors is considered limited.

Management make provisions for obsolescent stock. Raw materials, work in progress, and finished goods are reviewed on a monthly basis and scrap and obsolescent stock is written-off.

No uncertainties have arisen in recognition and measurement in the annual report.

### Unusual matters

The company's financial position as of 31 December 2023 and the results of its operations for the financial year ended 31 December 2023 are not affected by any unusual matters.

### Financial review

The company's income statement for the year ended 31 December 2023 shows a profit of DKK 21,752,030, and the balance sheet as of 31 December 2023 shows equity of DKK 142,229,594.

The development exceeds the expectations stated in the 2022 annual report and is largely influenced by increased demand for the Company's human orthopedics, urology and bowel, and animal health products. Management considers the year's result satisfactory.

The Company is expanding its production capacity in order to take advantage of its strong market position and has also expanded its skilled workforce to support this.

### 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.

## Management's review

Expected development of the company, including specific prerequisites and uncertainties

## Management's review

In 2024, a continued significant increase in revenue and gross profit similar to that of 2023 is expected. The company continues to expect a positive cash flow in 2024.

Special risks - operational risks and financial risks:

The Company continuously works to identify risks that may affect the Company's future growth, activities, financial position, and results, and seeks to counteract and limit as much as possible the risks that the Companies can influence through its actions.

Operational risks:

The Company's most significant operational risks are related to Manufacturing and Regulatory issues.

(1) Manufacturing; Notwithstanding contractual terms to the contrary, contract manufacturers and suppliers used by the Company could cease supply at short notice, resulting in delays in manufacturing, product sales and increased costs. Manufacturing development programmes may encounter delays due to technical problems, for instance in scaling-up manufacturing processes so that commercial quantities of products can be made or growth in sales can be achieved. Third-party manufacturers are subject to regulatory requirements, which may impact on the Company's development and commercialisation of its products. The Company seeks to mitigate its manufacturing risk, where it is commercially reasonable to do so, by purchasing manufactured goods from more than one source of supply.

(2) Regulatory; Regulatory bodies around the world have different requirements for the approval of healthcare products. This may result in restriction of indication, denial of approval, or demands for additional data, particularly in those territories in which approval has not yet been received by the Company. After product approval, safety or efficacy issues may emerge during post-marketing surveillance, which may result in withdrawal or restriction of the product license. This may have an impact on the growth plans of the Company. The Company seeks to mitigate its regulatory risk by employing expert staff and third party regulatory advisers.

Currency risks:

The Company's foreign operations are affected by exchange rate fluctuations, as revenue is primarily generated in foreign currency, but a large part of the costs, including salaries, is incurred in Danish kroner. It is the Company's policy not to hedge currency risks as a general rule, but this is assessed on a case-by-case basis and from currency to currency.

Liquidity risks:

It is the Company's policy to have credit facilities that are sufficient for the planned activities of the Company.

## Management's review

Interest rate risks:

The Company's interest-bearing debt amounts to DKK 109,7 million due to investments in new development projects.

### **The company's knowledge resources if of particular importance to its future earnings**

The company is dependent on key resources and knowhow built up over many years for future earnings. Notwithstanding this, the company has invested in additional resources to minimize key man dependency.

### **Impact on the external environment and measures taken to prevent, reduce or mitigate damage**

The production facility at Contura International A/S is completely contained. All waste products (air-borne, water, acrylamide and other waste products) are disposed of in accordance with Danish environmental laws. The environmental conditions around the company's production facility are not deemed to be at risk as the environmental protection measures taken are more than adequate and are continuously assessed.

### **Research and development activities in or for the company**

The company is engaged in ongoing research and development activities in order to maintain and develop its suite of products.

## Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
<b>Revenue</b>		<b>179.644.657</b>	<b>91.821.256</b>
Work performed and capitalised		33.707.867	20.734.808
Other operating income		5.206.312	1.211.567
Raw materials and consumables		-83.664.257	-40.926.689
Other external expenses		-36.469.491	-26.989.172
<b>Gross profit</b>		<b>98.425.088</b>	<b>45.851.770</b>
Staff costs	1	-64.492.841	-36.921.632
Depreciation and impairment of tangible assets		-1.029.043	-615.401
<b>Profit/loss before net financials</b>		<b>32.903.204</b>	<b>8.314.737</b>
Financial income	2	0	6.289.629
Financial costs	3	-7.647.422	-3.282.400
<b>Profit/loss before tax</b>		<b>25.255.782</b>	<b>11.321.966</b>
Tax on profit/loss for the year	4	-5.379.550	-1.616.890
<b>Profit/loss for the year</b>		<b>19.876.232</b>	<b>9.705.076</b>
<b>Recommended appropriation of profit/loss</b>			
Retained earnings		19.876.232	9.705.076
		<b>19.876.232</b>	<b>9.705.076</b>

## Balance sheet 31 December

	Note	2023	2022
		DKK	DKK
<b>Assets</b>			
Plant and machinery	5	10.009.935	11.990.124
Other fixtures and fittings, tools and equipment	5	1.474.061	509.679
Prepayments for tangible fixed assets	5	0	0
<b>Tangible assets</b>		<b>11.483.996</b>	<b>12.499.803</b>
<b>Total non-current assets</b>		<b>11.483.996</b>	<b>12.499.803</b>
Raw materials and consumables		37.307.016	38.764.998
Finished goods and goods for resale		3.139.276	1.490.714
<b>Stocks</b>		<b>40.446.292</b>	<b>40.255.712</b>
Trade receivables		40.338.791	13.691.484
Receivables from group enterprises		196.922.305	148.610.874
Other receivables		15.078	2.387.666
Prepayments		2.372.588	605.565
<b>Receivables</b>		<b>239.648.762</b>	<b>165.295.589</b>
<b>Cash at bank and in hand</b>		<b>4.228.278</b>	<b>94.741</b>
<b>Total current assets</b>		<b>284.323.332</b>	<b>205.646.042</b>
<b>Total assets</b>		<b>295.807.328</b>	<b>218.145.845</b>

## Balance sheet 31 December

	Note	2023	2022
		DKK	DKK
<b>Equity and liabilities</b>			
Share capital		501.000	501.000
Retained earnings		139.852.796	119.976.564
<b>Equity</b>		<b>140.353.796</b>	<b>120.477.564</b>
Banks		17.994.454	7.223
Trade payables		17.985.310	11.700.092
Payables to group enterprises		91.722.397	63.775.206
Joint taxation contributions payable		5.379.550	1.616.890
Other payables		10.585.072	8.537.620
Deferred income		11.786.749	12.031.250
<b>Total current liabilities</b>		<b>155.453.532</b>	<b>97.668.281</b>
<b>Total liabilities</b>		<b>155.453.532</b>	<b>97.668.281</b>
<b>Total equity and liabilities</b>		<b>295.807.328</b>	<b>218.145.845</b>
Contingent liabilities	6		
Mortgages and collateral	7		

## Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	501.000	119.976.564	120.477.564
Net profit/loss for the year	0	19.876.232	19.876.232
<b>Equity at 31 December</b>	<b>501.000</b>	<b>139.852.796</b>	<b>140.353.796</b>



## Notes til accounts

	2023	2022
	DKK	DKK
<b>1 Staff costs</b>		
Wages and salaries	56.891.000	32.930.357
Pensions	4.351.621	1.905.127
Other social security costs	284.482	145.554
Other staff costs	2.965.738	1.940.594
	<b>64.492.841</b>	<b>36.921.632</b>
	<hr/>	<hr/>
Number of fulltime employees on average	83	46
	<hr/>	<hr/>
According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the executive board has not been disclosed.		
<b>2 Financial income</b>		
Interests received from group enterprises	0	4.505.993
Exchange gains	0	1.783.636
	<b>0</b>	<b>6.289.629</b>
	<hr/>	<hr/>
<b>3 Financial costs</b>		
Interest paid to group enterprises	3.843.844	3.105.643
Other financial costs	2.136.963	176.757
Exchange loss	1.666.615	0
	<b>7.647.422</b>	<b>3.282.400</b>
	<hr/>	<hr/>
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	5.379.550	1.616.890
	<b>5.379.550</b>	<b>1.616.890</b>
	<hr/>	<hr/>

## Notes til accounts

### 5 Tangible assets

	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
	DKK	DKK	DKK
Cost at 1 January	66.381.921	5.133.788	71.515.709
Additions for the year	5.817.803	1.558.285	7.376.088
Disposals for the year	-7.362.852	0	-7.362.852
Cost at 31 December	<u>64.836.872</u>	<u>6.692.073</u>	<u>71.528.945</u>
Impairment losses and depreciation at 1 January	54.391.797	4.624.109	59.015.906
Depreciation for the year	435.140	593.903	1.029.043
Impairment losses and depreciation at 31 December	<u>54.826.937</u>	<u>5.218.012</u>	<u>60.044.949</u>
<b>Carrying amount at 31 December</b>	<b><u>10.009.935</u></b>	<b><u>1.474.061</u></b>	<b><u>11.483.996</u></b>

### 6 Contingent liabilities

The company is jointly taxed with its parent company, Contura A/S, and jointly and severally liable with other jointly taxed entities for payment of income taxes as well as for payment of withholding taxes on dividends, interest, VAT and royalties.

The company has unrecognized rental and lease commitments regarding cars and rent amounting to DKK 2.839 thousand stretching from 5-60 months.

### 7 Mortgages and collateral

The company has entered into a floating charge over certain of its assets in the amount of DKK 15.000 thousand to secure the borrowings of the company and the parent company.

## Accounting policies

The annual report of Contura International A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized class C entities, as well as provisions applying to reporting class C entities.

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

The annual report for 2023 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 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

#### Revenue

Income from the sale of goods for resale and finished goods 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.

#### Capitalised work performed for own account

Income from work performed for account and entered under assets relates to capitalised wage costs.

#### Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

## Accounting policies

### Other external expenses

Other external expenses 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.

### Amortisation and depreciation

Depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of tangible assets.

### 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 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.

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.

## 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.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

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

Plant and machinery	10-12 years
Other fixtures and fittings, tools and equipment	5 years

## Accounting policies

The useful life and residual value of the company's property, plant and equipment is reassessed annually.

### Stocks

Stocks are measured at cost using the weighted average method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

### Receivables

Receivables are measured at amortised cost.

### 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 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.

### 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 instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

### Cash flow statement

No cash flow statement has been prepared for the parent company, as the parent company's cash flows are included in the consolidated cash flow statement, see section 86(4) of the Danish Financial Statements Act.

## Accounting policies

### Financial Highlights

Definitions of financial ratios.

Gross margin ratio	$\frac{\text{Gross Profit} \times 100}{\text{Revenue}}$
EBIT margin	$\frac{\text{Profit/loss before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$