

Contura International A/S

Sydmarken 23, 2860 Søborg

CVR no. 27 05 08 32

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

Adopted at the annual general meeting on 21 June
2021

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 International 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 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 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 International A/S
	Sydmarken 23
	2860 Søborg
	CVR no.: 27 05 08 32
	Reporting period: 1 January - 31 December 2020
Supervisory board	Incorporated: 1 March 2003
	Domicile: Gladsaxe
	Rakesh Chhaganlal Tailor, chairman
	Patrick John Banks
	Ieva Ankorina-Stark
Executive board	Graham Julian Fraser-Pye
	Ieva Ankorina-Stark
Auditors	Baker Tilly Denmark
	Godkendt Revisionspartnerselskab
	Poul Bundgaards Vej 1, 1.
	2500 Valby

Management's review

Business review

Contura International A/S is a medical technology company based in Denmark that develops and commercialises soft tissue fillers.

Financial review

The company's income statement for the year ended 31 December 2020 shows a profit of DKK 6.929.451, and the balance sheet at 31 December 2020 shows equity of DKK 95.432.097.

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
Revenue		61.177.366	60.161.249
Expenses for raw materials and consumables		-20.095.939	-19.067.471
Other external costs		-17.350.509	-22.331.728
Gross profit		23.730.918	18.762.050
Staff costs	1	-12.810.563	-11.725.089
Depreciation and impairment of tangible assets		-3.107.990	-5.563.855
Profit/loss before net financials		7.812.365	1.473.106
Income from investments in group enterprises		0	-67.601
Financial income	2	2.914.380	2.923.516
Financial costs	3	-1.870.974	-787.345
Profit before tax		8.855.771	3.541.676
Tax on profit for the year	4	-1.926.320	-1.096.788
Profit for the year		6.929.451	2.444.888
Recommended appropriation of profit/loss			
Reserve for net revaluation under the equity method		-1.279.560	-67.601
Retained earnings		8.209.011	2.512.489
		6.929.451	2.444.888

Balance sheet 31 December

	Note	2020 DKK	2019 DKK
Assets			
Plant and machinery		1.256.412	4.115.235
Other fixtures and fittings, tools and equipment		415.120	427.405
Tangible assets	5	1.671.532	4.542.640
Investments in group enterprises	6	0	1.795.560
Fixed asset investments		0	1.795.560
Total non-current assets		1.671.532	6.338.200
Raw materials and consumables		14.170.188	11.347.334
Finished goods and goods for resale		2.727.424	4.909.305
Stocks		16.897.612	16.256.639
Trade receivables		8.469.243	5.084.545
Receivables from group enterprises		102.599.016	90.255.228
Other receivables		10.764.864	764.694
Prepayments		218.220	356.091
Receivables		122.051.343	96.460.558
Cash at bank and in hand		707.497	746.537
Total current assets		139.656.452	113.463.734
Total assets		141.327.984	119.801.934

Balance sheet 31 December

	Note	2020 DKK	2019 DKK
Equity and liabilities			
Share capital		501.000	501.000
Reserve for net revaluation under the equity method		0	1.279.560
Retained earnings		94.931.097	86.722.086
Equity		95.432.097	88.502.646
Other provisions		200.000	200.000
Total provisions		200.000	200.000
Banks		23.523.227	12.321.426
Trade payables		3.581.759	6.089.172
Payables to group enterprises		9.518.434	6.752.517
Corporation tax		1.926.320	1.096.788
Other payables		7.146.147	4.839.385
Total current liabilities		45.695.887	31.099.288
Total liabilities		45.695.887	31.099.288
Total equity and liabilities		141.327.984	119.801.934
Contingent liabilities	7		
Mortgages and collateral	8		

Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	501.000	1.279.560	86.722.086	88.502.646
Net profit/loss for the year	0	-1.279.560	8.209.011	6.929.451
Equity at 31 December	501.000	0	94.931.097	95.432.097

Notes

	2020 DKK	2019 DKK
1 Staff costs		
Wages and salaries	16.734.223	15.056.651
Pensions	1.023.674	903.529
Other social security costs	49.670	47.840
Other staff costs	604.831	797.883
	18.412.398	16.805.903
Staff costs classified as assets	-5.601.835	-5.080.814
	12.810.563	11.725.089
Average number of employees	22	21
2 Financial income		
Interest received from group enterprises	2.674.465	2.670.885
Exchange rate adjustments	239.915	252.631
	2.914.380	2.923.516
3 Financial costs		
Interest paid to group enterprises	130.089	67.482
Other financial costs	678.953	580.761
Exchange rate adjustments	1.061.932	139.102
	1.870.974	787.345
4 Tax on profit for the year		
Current tax for the year	1.926.320	1.096.788
	1.926.320	1.096.788

Notes

5 Tangible assets

	Plant and machinery	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1 January	54.848.867	4.497.060
Additions for the year	73.540	163.342
Cost at 31 December	54.922.407	4.660.402
Depreciation at 1 January	50.733.632	4.069.655
Depreciation for the year	2.932.363	175.627
Depreciation at 31 December	53.665.995	4.245.282
Carrying amount at 31 December	1.256.412	415.120

6 Investments in group enterprises

Cost at 1 January	516.000	516.000
Disposals for the year	-516.000	0
Cost at 31 December	0	516.000
Revaluations at 1 January	1.279.560	1.347.161
Amortisation of goodwill	0	-67.601
Reversed revaluations of disposed investments	-1.279.560	0
Revaluations at 31 December	0	1.279.560
Carrying amount at 31 December	0	1.795.560

Notes

7 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 4.715 thousand.

8 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 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

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.

Expenses for 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 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.

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 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:

Accounting policies

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

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

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.

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 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 International A/S is adopted are not taken to the net revaluation reserve.

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.

Accounting policies

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.