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Azanta A/S
Central Business Registration No 28108915
Tranegårdsvej 20
DK-2900 Hellerup

Annual report 2015

The Annual General Meeting adopted the annual report on 31.03.2016

Chairman of the General Meeting

Name: Søren Brinkmann

Contents

Entity details

Entity
Azanta A/S
Tranegårdsvej 20
DK-2900 Hellerup

Central Business Registration No: 28108915
Registered in: Gentofte
Financial year: 01.01.2015 - 31.12.2015

Board of Directors
Lars Aaen, Chairman
Per Gullestrup
Jens Munch-Hansen
David Carl Christian Von Kauffmann
Bo Jesper Hansen

Executive Board
Hanne Damgaard Jensen

Entity auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Azanta A/S for the financial year 01.01.2015 - 31.12.2015.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Hellerup, 15.03.2016

Executive Board

Hanne Damgaard Jensen

Board of Directors

Lars Aaen Chairman	Per Gullestrup	Jens Munch-Hansen
David Carl Christian Von Kauffmann	Bo Jesper Hansen	

Independent auditor's reports

To the owners of Azanta A/S
Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of Azanta A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Independent auditor's reports

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2015, and of the results of their operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Copenhagen, 15.03.2016

Deloitte
Statsautoriseret Revisionspartnerselskab

Jens Sejer Pedersen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

Azanta A/S ("Azanta") is a privately owned specialty pharma company with a focus on medical treatments in women's health, oncology and addiction medicine. Azanta sells in-licensed and its own medical products in the Nordic countries and develop own medical products. The Company has a pipeline of two late-clinical-stage proprietary products: Angusta® for labour induction, and Nimoral™, a hypoxic radiosensitizer for the treatment of head and neck cancer patients undergoing primary radiotherapy.

Vision

Azanta seeks to be an international market leader within certain niche specialty pharma products, employing innovative repositioning and drug formulation strategies, offering patients the best treatment alternatives.

Development in activities and finances

Development Projects

Azanta's proprietary products are in phase III drug development.

Nimoral™

The registration trial for Nimoral™ will be reviewed under the centralised European registration procedure. It is a randomized pivotal phase III trial with Nimoral™ for treatment of squamous cell carcinoma of head and neck. The study is led by EORTC and DAHANCA and sponsored by Azanta who provides the study drug and covers the expenses of the trial in exchange for an option to acquire the data for registration of the product upon conclusion of the trial. This trial examines Nimoral™ in combination with chemo-radiotherapy as first line therapy for the treatment of head and neck cancer.

Angusta®

Angusta® is being developed for the induction of labour to replace misoprostol compounding at the hospitals. In 2015, the development progressed according to plan. The PK trial in 72 patients at Skåne University Hospital was finalized. Technology transfer of the manufacture of Angusta® tablets from India to Europe was successfully completed.

On February 25th 2016 Azanta filed for market approval of Angusta® in the Nordics.

Market approval of Angusta® in the Nordics (first wave) is expected within 10 – 14 months from filing. During 2016, Azanta will fine-tune its strategy of seeking market approval of Angusta® in the rest of Europe (second wave) as well as develop a regulatory strategy for North America (third wave).

Management commentary

Development of economic activities

Despite loss of revenue from Methadone Martindale due to a product recall last year, the revenue reached nearly the same level as in 2014. The consolidated revenue from the seven medical products in the Nordics was DKK 31,1 million compared with DKK 32,3 million in 2014.

The consolidated income statement for 2015 shows a loss of DKK 14,3 million compared with a loss last year of DKK 24,0 million and the consolidated balance sheet shows a shareholders' equity amounting to DKK 21,9 million.

In 2014 the result was burdened with cost for an abandoned attempt to go public on Nasdaq and recall of Methadone Martindale. The shortage of funding resulted in a restructuring of the Management and the organization in the beginning of 2015. The staff was reduced from 11 to 6 employees. Executive management was reduced from tree to one, and Hanne Damgaard Jensen was promoted to CEO. The Company maintains its flexibility by engaging consultants. The result for 2015 includes salaries for terminated employees DKK 4,1 million.

In June 2015 the Board of Directors was strengthened with David Kauffmann and in December 2015 with Bo Jesper Hansen.

On October 1st 2015 the Company secured DKK 45,8 million in new equity. The funding was led by European Equity Partners through a special purpose vehicle LSI 1 BV, which is now the majority shareholder of Azanta. In connection with securing new equity the loan agreement with Norgine Venture was renegotiated and a postponement of repayment of one year was agreed.

After the new funding the Company's cash balance at the end of 2015 was DKK 38,1 million. With the expected cash flow from the commercial operations this is projected to be sufficient to finance the continued development of the Company's two lead drug development candidates to regulatory approval in Europe as well as the reimbursement of the Company's debt.

Strategy

In 2016 Azanta will start pre-marketing initiatives for the planned market launch of Angusta® in the Nordics. Business development strategies for commercialization of Angusta® in the rest of Europe and in North America will also be established. Furthermore, the Company will establish a go-to-market strategy for Nimoral™.

For commercialization of Azanta's proprietary products beyond the Nordics the company will consider various strategies including partnering with other companies.

Management commentary

Outlook

With a solid balance sheet, a restructured organization, a reduced cost base and increasing revenue from the two Named Patient Programs (for Angusta® and Nimoral™) the Company is confident that 2016 will be a year with continued financial improvement. Further, we expect to turn profitable during 2017.

Events after the balance sheet date

No events have occurred in the period from the balance sheet date until the presentation of the financial statements that materially affects the assessment of the Annual Report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for this consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Accounting policies

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations
Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

Profits or losses from divestment of equity investments
Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Accounting policies

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for research and development, premises, stationery and office supplies, marketing costs, etc.

Expenses for research and development are regonised in the income statement, because the recognition criterion of an asset is not fulfilled.

This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Accounting policies

Income taxes
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment
Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Property, plant and equipment	5 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Accounting policies

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments

Securities recognised under current assets comprise listed bonds and investments measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Consolidated income statement for 2015

	Notes	2015 DKK'000	2014 DKK'000
Revenue	1	31.077	32.284
Cost of sales		(9.134)	(12.984)
Other external expenses		(24.989)	(30.370)
Gross profit/loss		**(3.046)**	**(11.070)**
Staff costs	2	(13.211)	(12.113)
Depreciation, amortisation and impairment losses	3	(12)	(64)
Operating profit/loss		**(16.269)**	**(23.247)**
Other financial income	4	995	1.493
Other financial expenses	5	(3.917)	(2.255)
Profit/loss from ordinary activities before tax		**(19.191)**	**(24.009)**
Tax on profit/loss from ordinary activities	6	4.924	(36)
Profit/loss for the year		**(14.267)**	**(24.045)**

Proposed distribution of profit/loss			
Retained earnings		(14.267)	(24.045)
		(14.267)	**(24.045)**

Consolidated balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Other fixtures and fittings, tools and equipment		655	12
Property, plant and equipment	7	**655**	**12**
Other receivables		1.321	970
Fixed asset investments		**1.321**	**970**
Fixed assets		**1.976**	**982**
Raw materials and consumables		5.396	6.701
Inventories		**5.396**	**6.701**
Trade receivables		3.889	3.885
Other short-term receivables		44	47
Income tax receivable		4.968	2.483
Prepayments		716	740
Receivables		**9.617**	**7.155**
Other investments		31	31
Other investments		**31**	**31**
Cash		**38.070**	**14.689**
Current assets		**53.114**	**28.576**
Assets		**55.090**	**29.558**

Consolidated balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Contributed capital		5.400	1.080
Share premium		189.772	148.327
Revaluation reserve		(3.140)	(2.457)
Retained earnings		(170.170)	(155.903)
Equity		**21.862**	**(8.953)**
Subordinate loan capital		20.529	19.550
Non-current liabilities other than provisions	8	**20.529**	**19.550**
Current portion of long-term liabilities other than provisions	8	1.220	1.700
Trade payables		5.373	11.885
Other payables		6.106	5.376
Current liabilities other than provisions		**12.699**	**18.961**
Liabilities other than provisions		**33.228**	**38.511**
Equity and liabilities		**55.090**	**29.558**
Mortgages and securities	9		

Consolidated statement of changes in equity for 2015

	Contributed capital DKK'000	Share premium DKK'000	Revaluation reserve DKK'000	Retained earnings DKK'000
Equity beginning of year	1.080	148.327	(2.457)	(155.903)
Increase of capital	4.320	41.445	0	0
Exchange rate adjustments	0	0	(683)	0
Profit/loss for the year	0	0	0	(14.267)
Equity end of year	**5.400**	**189.772**	**(3.140)**	**(170.170)**

	Total DKK'000
Equity beginning of year	(8.953)
Increase of capital	45.765
Exchange rate adjustments	(683)
Profit/loss for the year	(14.267)
Equity end of year	**21.862**

Notes to consolidated financial statements

1. Revenue

The Group revenues are primarily derived from the areas of oncology, women's health and addiction medicines sold through the Nordic market.

2. Staff costs

	2015 DKK'000	2014 DKK'000
Wages and salaries	11.571	10.280
Pension costs	1.098	1.245
Other social security costs	542	588
	13.211	**12.113**

3. Depreciation, amortisation and impairment losses

	2015 DKK'000	2014 DKK'000
Depreciation of property, plant and equipment	12	64
	12	**64**

4. Other financial income

	2015 DKK'000	2014 DKK'000
Interest income	995	1.493
	995	**1.493**

5. Other financial expenses

	2015 DKK'000	2014 DKK'000
Interest expenses	3.917	2.255
	3.917	**2.255**

6. Tax on profit/loss from ordinary activities

	2015 DKK'000	2014 DKK'000
Tax on current year taxable income	(4.924)	36
	(4.924)	**36**

Notes to consolidated financial statements

7. Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	1.197
Additions	655
Cost end of year	**1.852**
Depreciation and impairment losses beginning of the year	(1.185)
Depreciation for the year	(12)
Depreciation and impairment losses end of the year	**(1.197)**
Carrying amount end of year	**655**

8. Long-term liabilities other than provisions

	Instalments within 12 months 2015 DKK'000	Instalments within 12 months 2014 DKK'000	Instalments beyond 12 months 2015 DKK'000
Subordinate loan capital	1.220	1.700	20.529
	1.220	**1.700**	**20.529**

9. Mortgages and securities

Azanta A/S and Azanta Danmark A/S have granted Norgine Venture a general floating charge of EUR 3m on the Company's assets. The charge includes goodwill, rights, operating equipment, inventories and accounts receivable.

In a comfort letter dated 13. August 2015, Azanta A/S has confirmed its full financial support to the subsidiary, Azanta AS, Norway.

9. Mortgages and securities

Azanta A/S has issued a guarantee in the amount of NOK 50,000 towards a foreign customs authority. The Group has not issued any other securities.

Parent income statement for 2015

	Notes	2015 DKK'000	2014 DKK'000
Revenue		0	727
Cost of sales		(17)	(584)
Other external expenses		(14.189)	(19.719)
Gross profit/loss		**(14.206)**	**(19.576)**
Staff costs	1	(7.140)	(5.166)
Depreciation, amortisation and impairment losses		0	(54)
Operating profit/loss		**(21.346)**	**(24.796)**
Income from investments in group enterprises		4.051	(3.183)
Other financial income		732	847
Other financial expenses		(2.628)	(1.452)
Profit/loss from ordinary activities before tax		**(19.191)**	**(28.584)**
Tax on profit/loss from ordinary activities		4.924	4.539
Profit/loss for the year		**(14.267)**	**(24.045)**

		2015 DKK'000	2014 DKK'000
Proposed distribution of profit/loss			
Retained earnings		(14.267)	(24.045)
		(14.267)	**(24.045)**

Parent balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Other fixtures and fittings, tools and equipment		655	0
Property, plant and equipment	2	**655**	**0**
Investments in group enterprises		43.907	36.139
Deposits		1.169	821
Fixed asset investments	3	**45.076**	**36.960**
Fixed assets		**45.731**	**36.960**
Raw materials and consumables		877	1.126
Inventories		**877**	**1.126**
Receivables from group enterprises		1.559	6.371
Other short-term receivables		5	12
Income tax receivable		4.882	2.599
Prepayments		506	566
Receivables		**6.952**	**9.548**
Other investments		31	31
Other investments		**31**	**31**
Cash		**34.768**	**1.683**
Current assets		**42.628**	**12.388**
Assets		**88.359**	**49.348**

Parent balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Contributed capital	4	5.400	1.080
Share premium		189.772	148.327
Retained earnings		(173.310)	(158.360)
Equity		**21.862**	**(8.953)**
Provisions for investments in group enterprises		0	12.028
Provisions		**0**	**12.028**
Trade payables		3.886	6.256
Payables to group enterprises		60.090	37.499
Other payables		2.521	2.518
Current liabilities other than provisions		**66.497**	**46.273**
Liabilities other than provisions		**66.497**	**46.273**
Equity and liabilities		**88.359**	**49.348**
Unrecognised rental and lease commitments	5		
Contingent liabilities	6		
Mortgages and securities	7		

Parent statement of changes in equity for 2015

	Contributed capital DKK'000	Share premium DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1.080	148.327	(158.360)	(8.953)
Increase of capital	4.320	41.445	0	45.765
Exchange rate adjustments	0	0	(683)	(683)
Profit/loss for the year	0	0	(14.267)	(14.267)
Equity end of year	**5.400**	**189.772**	**(173.310)**	**21.862**

Warrants

In 2012 and 2014, a total of 400,000 and 148,000 warrants, respectively, were issued to members of the company's management. Each warrant confers a right to subscribe for 1 share at a subscription price of DKK 18.229 per nominal DKK 0.10 share in the Company. The warrants vest with one third on each of the first, second and third anniversary of the grant and can be exercised for five years after the vesting of each tranche.

In 2014, a total of 171,253 warrants were issued to Norgine Venture (the "Norgine Warrants"). Each warrant confers a right to subscribe for 1 share at a base subscription price of DKK 45.651 per nominal DKK 0.10 share in the Company. The warrants will be exercisable for 10 years from the grant date, in 2014. In the event that an investment round, where shares, warrants, convertible debentures or similar share instruments are subscribed for in the Company, occurs before these Norgine Warrants expire or are exercised, the base subscription price shall be adjusted. The revised base subscription price will be the lowest price paid per share in the last investment round before any exercise or expiry of the Norgine Warrants.

In 2015, a total of 6,000,050 warrants were issued to EEP Co-Investment Limited. Each warrant confers a right to subscribe for 1 share at a subscription price of DKK 1.075 per nominal DKK 0.10 share in the Company. The warrants will be exercisable up until 31 December 2030 or for 5 years after the first trading day following an Initial Public Offering ("IPO") if such an IPO occurs between 23 September 2019 and 23 September 2024.

The detailed terms and conditions associated with the respective warrants above are contained in the Company's Articles of Association.

Notes to parent financial statements

	2015 DKK'000	2014 DKK'000
1. Staff costs		
Wages and salaries	6.691	4.753
Pension costs	422	383
Other social security costs	27	30
	7.140	**5.166**

	Other fixtures and fittings, tools and equipment DKK'000
2. Property, plant and equipment	
Cost beginning of year	428
Additions	655
Cost end of year	**1.083**
Depreciation and impairment losses beginning of the year	(428)
Depreciation and impairment losses end of the year	**(428)**
Carrying amount end of year	**655**

	Investments in group enterprises DKK'000	Deposits DKK'000
3. Fixed asset investments		
Cost beginning of year	58.613	821
Additions	0	348
Cost end of year	**58.613**	**1.169**
Impairment losses beginning of year	(22.474)	0
Exchange rate adjustments	(683)	0
Adjustments on equity	16.287	0
Share of profit/loss for the year	4.051	0
Investments with negative equity transferred to provisions	(9.175)	0
Other adjustments	(2.712)	0
Impairment losses end of year	**(14.706)**	**0**
Carrying amount end of year	**43.907**	**1.169**

Notes to parent financial statements

	Registered in	Equity interest %
Investments in subsidiaries comprise:		
Azanta AS	Oslo, Norway	100,0
Azanta AB	Stockholm, Sweden	100,0
Azanta Oy	Espoo, Finland	100,0
Azanta Ltd.	Hertfortshire, UK	100,0
Azanta Danmark A/S	Hellerup, Denmark	100,0
Azanta Pharma AB	Hellerup, Denmark	100,0

	2015 DKK'000	2014 DKK'000	2013 DKK'000	2012 DKK'000	2011 DKK'000
4. Contributed capital					
Changes in contributed capital					
Contributed capital beginning of year	1.080	1.097	1.097	1.097	1.056
Increase of capital	4.320	0	0	0	41
Decrease of capital	0	(17)	0	0	0
Contributed capital end of year	**5.400**	**1.080**	**1.097**	**1.097**	**1.097**

5. Unrecognised rental and lease commitments

The Company has rent payments concerning a contract, which is interminable until May 31, 2023, amounting to DKK 4,627 thousand.

6. Contingent liabilities

The Company serves as an administration company in a 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 companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

Notes to parent financial statements

7. Mortgages and securities

Azanta A/S and Azanta Danmark A/S have granted Norgine Venture a general floating charge of EUR 3 million on the Company's assets. The charge includes goodwill, rights, operating equipment, inventories and accounts receivable.

In a comfort letter dated 13. August 2015, Azanta A/S has confirmed its full financial support to the subsidiary, Azanta AS, Norway.

Azanta A/S has issued a guarantee in the amount of NOK 50,000 towards a foreign customs authority. The Group has not issued any other securities.