



Azanta A/S

Kirsten Walthers Vej 8, 2.
2500 Valby
CVR No. 28108915

Annual report 2020

The Annual General Meeting adopted the
annual report on 30.06.2021

Kenneth Andrew MacRitchie
Chairman of the General Meeting

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Entity details

Entity

Azanta A/S

Kirsten Walthers Vej 8, 2.

2500 Valby

CVR No.: 28108915

Registered office: København

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Kenneth Eric Scrimgeour

Jeremy John Cuffe

Erik Niklas Eriksson

Kenneth Andrew MacRitchie, formand

Executive Board

Erik Niklas Eriksson, adm. dir.

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Azanta A/S for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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.

Copenhagen, 30.06.2021

Executive Board

Erik Niklas Eriksson
adm. dir.

Board of Directors

Kenneth Eric Scrimgeour

Jeremy John Cuffe

Erik Niklas Eriksson

Kenneth Andrew MacRitchie
formand

Independent auditor's report

To the shareholders of Azanta A/S

Opinion

We have audited the financial statements of Azanta A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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:

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Copenhagen, 30.06.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Sejer Pedersen

State Authorised Public Accountant
Identification No (MNE) mne14986

Management commentary

Primary activities

Azanta A/S ("Azanta") is a privately-owned specialty pharmaceutical company primarily operating within obstetrics, women's healthcare, addiction medicine and oncology.

Development in activities and finances

Revenue increased to DKK 7.7 million in 2020. The growth was primarily driven by Silverline, Flexi-T and Nimorazole.

In March 2020 Norgine B.V. acquired Azanta A/S and its subsidiaries. Therefore, in 2020 the Company generated a net profit of DKK 165.8 million compared with a net loss in 2019 of DKK 5.2 million. This result of the year is positive affected by sale of the rights for Angusta and related trademarks, which is recognised as other operating income.

As at 31st December the Company shareholder capital and equity reserves amounted to DKK 189.8 million. The Company's total balance as at 31st December 2019 was DKK 276.1 million. The

Outlook

In 2021 the Company expect to continue to operate and generate revenue for the remaining products after the sale of Angusta to Norgine B.V. The company will also re-adjust its operating model and advance from synergies now being a part of the Norgine Group.

Research and development activities

Nimoral™

Nimoral™, a hypoxic radiosensitizer used in treatment of H&N cancer is in late stage development.

Nimoral™ is available on Name Patient Use Program in Denmark since 2011 and in Norway since 2015.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
Gross profit/loss		9,368	(8,066)
Staff costs	1	(5,765)	(1,841)
Depreciation, amortisation and impairment losses		(145)	(145)
Operating profit/loss		3,458	(10,052)
Income from investments in group enterprises		165,820	6,820
Other financial income	2	46	0
Other financial expenses	3	(3,061)	(3,851)
Profit/loss before tax		166,263	(7,083)
Tax on profit/loss for the year	4	(47)	1,880
Profit/loss for the year		166,216	(5,203)
Proposed distribution of profit and loss			
Retained earnings		166,216	(5,203)
Proposed distribution of profit and loss		166,216	(5,203)

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK'000	2019 DKK'000
Other fixtures and fittings, tools and equipment		786	931
Property, plant and equipment	5	786	931
Investments in group enterprises		231,755	70,878
Deposits		263	359
Financial assets	6	232,018	71,237
Fixed assets		232,804	72,168
Prepayments for goods		3,218	896
Inventories		3,218	896
Receivables from group enterprises		14,831	1,509
Other receivables		579	486
Income tax receivable		0	1,880
Joint taxation contribution receivable		29,463	0
Prepayments		0	196
Receivables		44,873	4,071
Other investments		31	31
Other investments		31	31
Cash		10,444	871
Current assets		58,566	5,869
Assets		291,370	78,037

Equity and liabilities

	Notes	2020 DKK'000	2019 DKK'000
Contributed capital		7,093	5,494
Reserve for net revaluation according to the equity method		155,273	0
Retained earnings		27,819	215
Equity		190,185	5,709
Payables to group enterprises		68,106	54,282
Other payables		0	13,145
Non-current liabilities other than provisions		68,106	67,427
Trade payables		1,155	2,246
Payables to group enterprises		685	647
Income tax payable		29,509	0
Other payables		1,730	2,008
Current liabilities other than provisions		33,079	4,901
Liabilities other than provisions		101,185	72,328
Equity and liabilities		291,370	78,037
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		
Group relations	9		

Statement of changes in equity for 2020

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	5,494	0	215	5,709
Increase of capital	1,599	0	16,661	18,260
Profit/loss for the year	0	155,273	10,943	166,216
Equity end of year	7,093	155,273	27,819	190,185

Notes

1 Staff costs

	2020 DKK'000	2019 DKK'000
Wages and salaries	5,086	1,682
Pension costs	620	112
Other social security costs	15	47
Other staff costs	44	0
	5,765	1,841
Average number of full-time employees	3	2

2 Other financial income

	2020 DKK'000	2019 DKK'000
Financial income from group enterprises	46	0
	46	0

3 Other financial expenses

	2020 DKK'000	2019 DKK'000
Financial expenses from group enterprises	2,480	2,163
Other interest expenses	581	1,688
	3,061	3,851

4 Tax on profit/loss for the year

	2020 DKK'000	2019 DKK'000
Current tax	47	(1,880)
	47	(1,880)

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	1,451
Cost end of year	1,451
Depreciation and impairment losses beginning of year	(520)
Depreciation for the year	(145)
Depreciation and impairment losses end of year	(665)
Carrying amount end of year	786

6 Financial assets

	Investments in group enterprises DKK'000	Deposits DKK'000
Cost beginning of year	76,732	359
Disposals	(250)	(96)
Cost end of year	76,482	263
Revaluations beginning of year	(5,852)	0
Exchange rate adjustments	74	0
Share of profit/loss for the year	165,357	0
Reversal regarding disposals	(4,306)	0
Revaluations end of year	155,273	0
Carrying amount end of year	231,755	263

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Azanta Danmark A/S	Valby, Denmark	A/S	100
Azanta AB	Stockholm, Sweden	AB	100
Azanta OY	Espoo, Finland	OY	100

7 Unrecognised rental and lease commitments

The Company has rent payments concerning a contract, which is interminable until 31 Maj 2023, amounting to DKK 1.644 thousand

8 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

9 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Norgine B.V., Antonio Vivaldistraat 150, 1083 HP Amsterdam, Holland.

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 to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in 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 premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

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 or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and 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 or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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**Plant and equipment**

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:

Other fixtures and fittings, tools and equipment	3-5 years
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Estimated useful lives and residual values are reassessed annually.

Items of 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 value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

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

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.

Receivables

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

Tax payable or receivable

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

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Other investments

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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