

**Annual Report for**  
**Serendex Pharmaceuticals A/s**  
**30532228**

# Contents

## Guide for use of control report

### **Digital financial statements in pdf and XBRL format**

The annual report must be filed with the Danish Business Authority in two versions: a readable pdf version (may be a system generated pdf file or a scanned version of the signed annual report) and an XBRL file containing raw data in XBRL format. It requires a special program to be able to present data in the XBRL file.

The financial statements in the pdf file must reflect the true and fair view. In the nature of the case, the XBRL file has no visual appearance, but the raw data must correspond to the figures and the text from the annual report.

### **The purpose of the control report**

The control report is used solely to verify the information in the XBRL file and is one way of presenting the annual report. Thus, the control report is a reproduction of the XBRL file in a readable format. The purpose of the control report is solely to form a basis for control of the marking off of data, and therefore the visual expression of the control report is not important.

### **In the control report, you must decide:**

1. Whether figures and text in grey areas are identical with the signed annual report.
2. Whether figures and text have been marked off to specific fields in the taxonomy.

*In the control report, the headings over the grey areas refer to the field in the taxonomy to which the grey text is marked off. If there is also a heading inside grey area, this is just a repetition from the actual annual report and is not a double heading.*

Revisor: Nettoomsætning  
Revisors: Nettoomsætning the  
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*In the income statement, balance sheet and cash flow statement, the top line states the field in the taxonomy to which the figures are marked off, whereas the line in italics immediately below states the name of the line in the annual report.*

*At accounting line level, it is important to check that the field in the taxonomy to which an accounting line is marked off corresponds to the accounting line in the signed annual report. The text may differ, but the meaning must be the same. Thus, it is permitted to mark off "rental income" to "revenue" as the taxonomy does not include the field rental income. The accounting lines may also be reported at a higher level in the taxonomy if no appropriate line is available.*

### **In the control report, you should not decide on:**

- Note numbers and references as well as the order
- Layout and formatting
- The order of the part elements of the annual report
- Line breaks
- Appearance of notes and texts

## Submission information

### Report

Information on type of submitted report

Årsrapport

### Entity

Identification number [CVR]

30532228

Name

Serendex Pharmaceuticals A/s

Telephone number

4579301414

Homepage

serendex.com

E-mail

info@serendex.com

Address , street name

Slotsmarken

Address , street building identifier

17

Address , post code identifier

2970

Address , district name

Hørsholm

### Auditor

1

Name and surname

Ulrik Bloch-Sørensen

Identification number [CVR] of audit firm

34209936

Name of audit firm

Grant Thornton Statsautoriseret

Revisionspartnerselskab

State Authorised Public Accountant

Description

2

Name and surname

Martin Bomholtz

Description

State Authorised Public Accountant

### Executive board

Name and surname of member (1)

Kim Arvid Nielsen

Title of member (1)

CEO

Name and surname of member (2)

Carit Andersen

Name and surname of member (3)

Interim

Title of member (3)

CFO

### Supervisory board

Name and surname of member (1)

Karin Verland

Title of member (1)

Chairman

Name and surname of member (2)

Søren Bech Justesen

Name and surname of member (3)

Lorenz J. Jørgensen

Name and surname of member (4)

Christian Vinding Thomsen

### Information on enterprise submitting report

Identification number [CVR] of submitting enterprise

30532228

Name of submitting enterprise

Serendex Pharmaceuticals A/S

Address of submitting enterprise, street and

Slotsmarken 17

number

Address of submitting enterprise, postcode  
and town

2970 Hørsholm

**Other informations**

Reporting period start date

2015-01-01

Reporting period end date

2015-12-31

Date of general meeting

2016-04-28

Name and surname of chairman of general  
meeting

Christian Vinding Thomsen

Type of auditor assistance

Revisionspåtegning

Reporting period start date last year

2014-01-01

Reporting period end date last year

2014-12-31

Currency:

DKK

## MANAGEMENT'S STATEMENT

### Statement by executive and supervisory boards

#### MANAGEMENT'S STATEMENT

The Board of Directors and Executive Management have reviewed and approved the annual report of Serendex Pharmaceuticals A/S for the financial year 1 January to 31 December 2015. The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU. The financial statements of the parent company are prepared in accordance with the Danish Financial Statement Act. In addition, the annual report has been prepared in accordance with Danish disclosure requirements for listed companies. We consider the accounting policies to be appropriate and the overall presentation in the annual report to be adequate. Therefore, in our opinion the annual report gives a true and fair view of the Group's and parent's assets and liabilities and financial position as of 31 December 2015 and of the results of operations and cash flows for the period 1 January to 31 December 2015. We recommend the annual report for adoption at the annual general meeting.

SERENDEX PHARMACEUTICALS A/S

### Date of approval of annual report

Hørsholm, 1. April 2016

#### Executive board

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Kim Arvid Nielsen  
CEO

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Carit Andersen

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Interim  
CFO

#### Supervisory board

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Karin Verland  
Chairman

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Søren Bech Justesen

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Lorenz J. Jørgensen

Christian Vinding Thomsen

## Auditor's reports

### The independent auditor's reports (Audit)

INDEPENDENT AUDITORS' REPORT

### Addressee of auditor's report on audited financial statements

TO THE SHAREHOLDERS OF SERENDEX PHARMACEUTICALS A/S

### Auditor's report on financial statements

Report on the consolidated Financial Statements and the Parent Company Financial statements

We have audited the consolidated financial statements and the parent company financial statements of Serendex Pharmaceuticals A/S for the financial year 1 January – to 31 December 2015, which comprise income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU and Danish disclosure requirements for listed companies.

### Statement of executive and supervisory boards responsibility for financial statements

The Board of Directors' and the Management's responsibility for the consolidated financial statements and the parent company financial statements

The Board of Directors and the Management are responsible for the preparation of the consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU and Danish disclosure requirements for listed companies and for such internal control that management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statement that are free from material misstatement whether due to fraud or error.

## **Statement of auditor's responsibility for audit and audit performed**

### **Auditors' responsibility**

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements and the parent company 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, 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 company 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 evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

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

The audit has not resulted in any qualification.

## **Opinion on audited financial statements**

### **Opinion**

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2015 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January to 31 December 2015 in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU and Danish disclosure requirements for listed companies.

## **Supplementary information on audit**



Emphasis of matter regarding information in the financial statements  
Without qualifying our opinion, we refer to note 1 to the consolidated financial statements, which describes Serendex capital resources and that Serendex according to its budgets has sufficient cash available to continue activities as planned until the end of 2016.

**Statement on management's review [Auditor's report on audited financial statements]**

Statement on the Directors' Report

Pursuant to the Danish Financial Statements Act, we have read the Directors' report. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Directors' report is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen

1. April 2016

Ulrik Bloch-Sørensen

State Authorised Public Accountant

Grant Thornton Statsautoriseret Revisionspartnerselskab

34209936

Martin Bomholtz

State Authorised Public Accountant

## Management's review

### Corporate governance report

#### CORPORATE GOVERNANCE

#### RECOMMENDATIONS

Serendex's corporate governance guidelines provide the overall direction for Serendex's Board of Directors and Executive Management. The guidelines are intended to ensure an efficient and adequate management of Serendex within the framework defined by applicable legislation, rules, and recommendations for a listed Danish company on the Oslo Stock Exchange/Axess and by Serendex's Articles of Association and Corporate Strategy.

In a limited number of areas Serendex has decided not to comply with the corporate governance recommendations issued by the Danish Committee on Corporate Governance and the guidelines provided by the Norwegian Code of Practice for Corporate Governance. Serendex has chosen to adhere to the Norwegian code in matters where the Norwegian code has a higher standard than the Danish code. Examples of recommendations that Serendex does not comply with are the adaptation of a Corporate Social Responsibility (CSR) policy and the establishment of a Nomination and a Remuneration Committee. Serendex considers that the limited size and/or complexity of its business does not warrant full compliance.

Serendex bases its business development on combining financial performance with socially responsible behavior and environmental awareness. Serendex complies with applicable legislation, local as well as international. In the conduct of business, Serendex aims to maintain high ethical standards and strives to conduct its activities with integrity and responsibility.

Serendex's corporate governance guidelines for the financial year 2015 are available on the website under Investor Relations at [www.serendex.com](http://www.serendex.com)

Serendex does not generate higher levels of direct pollution or emissions than the norm in the pharmaceutical industry. In terms of gender equality there is currently no representation of women in the Executive Management team. However, in February 2016, women comprised 25% of the Board of Directors and the Chairman of the Board is a woman.

#### GOVERNANCE

Serendex has based its governance structure on a two-tier system where the Board of Directors and the Executive Management have distinct roles. The Executive Management undertakes the operational management of the company, whereas the Board of Directors governs the Executive Management and defines overall strategies and goals in tandem with the Executive Management.

In order to ensure an efficient, appropriate and viable management of Serendex, the Board of Directors outlines guidelines for the Executive Management. The guidelines are based on Serendex's mission, vision and targets, as well as relevant legislation. They form the basis for daily management and activities and are to be used and adhered to when defining further policies and procedures.

The Executive Management is responsible for risk management with respect to financial performance and drug development. The Board of Directors receives monthly reports on

the financial status, drug development status and development in strategic risks. Further, the Company approves and presents quarterly reports to the market in accordance with relevant legislation.

The responsibility for quality assurance of the financial reports lies with the CFO. The Group has, under careful consideration of its limited size, set up procedures to secure the best possible segregation of duties.

Further, Serendex has adopted an Audit Committee that assists the Board of Directors in preparing the review of financial reporting processes; review of systems of internal controls including risk management, and the on-going dialogue with the external auditor.

We will evaluate our corporate governance procedure once delisted in May 2016.

Company risks are described in full details in Risk Overview in note 23 at page 48.

#### GROUP STRUCTURE

Serendex Pharmaceuticals A/S fully owns two subsidiaries; all of the three companies have their business addresses in Hørsholm, Denmark.

Serendex Pharmaceuticals A/S

100%

Drugrecure ApS

100%

Pharmaorigin ApS

Serendex has also registered an entity in Norway (Enhetsregisteret, NUF 913 821 629). This is currently a non-active registration, which followed the listing on Oslo Stock Exchange/Axess in 2014. The entity will be closed following the coming delisting in May 2016.

## Income Statement 1. January 2015 - 31. December 2015

	<b>Group</b> <b>01-01-2015</b> <b>31-12-2015</b> <b>x1000 DKK</b>	<b>Group</b> <b>01-01-2014</b> <b>31-12-2014</b> <b>x1000 DKK</b>	<b>Parent</b> <b>01-01-2015</b> <b>31-12-2015</b> <b>x1000 DKK</b>	<b>Parent</b> <b>01-01-2014</b> <b>31-12-2014</b> <b>x1000 DKK</b>
<b>Profit or loss [abstract]</b>				
<b>Profit (loss) [abstract]</b>				
Net sales				
<i>Net revenue</i>	153	786	0	0
Cost of sales				
<i>Cost of goods sold</i>	125	326	0	0
Other income				
<i>Other operating income</i>	0	0	0	0
<b>External expenses [abstract]</b>				
Other external expenses				
<i>External expenses</i>	8.542	11.537	4.565	5.006
Employee benefits expense				
<i>Staff expenses</i>	18.233	13.590	18.233	13.590
<b>Special items [abstract]</b>				
Special items				
<i>Special items</i>	-7.282	-900	-1.852	0
Profit (loss) from operating activities				
<i>Operating profit/loss (-)</i>	-34.030	-25.566	-24.650	-18.596
Net financials				
<i>Net financials</i>	3.182	3.787	3.176	1.906
Profit (loss) before tax				
<i>Profit/loss (-) before tax</i>	-37.212	-29.353	-27.827	-20.502
Tax expense (income), continuing operations				
<i>Tax expenses</i>	-3.359	-7.202	-1.805	-4.792
Profit (loss)				
<i>Net profit/loss (-)</i>	-33.853	-22.151	-26.021	-15.710



## Balance

### Assets

	<b>Group 31-12-2015 x1000 DKK</b>	<b>Group 31-12-2014 x1000 DKK</b>	<b>Parent 31-12-2015 x1000 DKK</b>	<b>Parent 31-12-2014 x1000 DKK</b>
<b>Assets [abstract]</b>				
<b>Non-current assets [abstract]</b>				
<b>Property, plant and equipment [abstract]</b>				
Plant and machinery <i>Plant and equipment</i>	219	278	219	278
<b>Intangible assets and goodwill [abstract]</b>				
<b>Intangible assets other than goodwill [abstract]</b>				
<b>Intangible assets under development [abstract]</b>				
<b>Development projects [abstract]</b>				
Development projects <i>Development projects</i>	58.763	29.417		
<b>Investments in subsidiaries, joint ventures and associates [abstract]</b>				
Investments in subsidiaries <i>Investment in subsidiaries</i>			26.715	26.715
<b>Trade and other non-current receivables [abstract]</b>				
<b>Non-current prepayments [abstract]</b>				
Non-current prepayments deposits	199	194	199	194

*Deposits*

Deferred tax assets				
<i>Long-term deferred tax</i>	0	2.516		
Non-current assets				
<i>Total non-current assets</i>	59.182	32.406	27.134	27.187
<b>Current assets [abstract]</b>				
<b>Classes of current inventories [abstract]</b>				
Current inventories				
<i>Inventories</i>	1.244	1.249		
<b>Trade and other current receivables [abstract]</b>				
Current prepayments				
<i>Prepayments</i>	0	750		
<b>Receivables from sales and services</b>				
Current trade receivables				
<i>Trade receivables</i>	0	619		
<b>Current receivables due from related parties [abstract]</b>				
Current receivables due from related parties				
<i>Intercompany receivables</i>			49.574	17.387
<b>Other current receivables [abstract]</b>				
Other current receivables				
<i>Other receivables</i>	1.117	566	1.031	357
Current tax assets, current				
<i>Tax receivables</i>	5.875	6.250	4.248	5.182
<b>Cash and cash equivalents [abstract]</b>				
Cash and cash equivalents				
<i>Cash and cash equivalents</i>	5.974	20.460	5.975	20.271
Current assets	14.210	29.893	60.828	43.197

*Total current assets*

Assets

*Total assets*

73.391	62.299	87.962	70.384
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## Liabilities

	<b>Group 31-12-2015 x1000 DKK</b>	<b>Group 31-12-2014 x1000 DKK</b>	<b>Parent 31-12-2015 x1000 DKK</b>	<b>Parent 31-12-2014 x1000 DKK</b>
<b>Equity and liabilities [abstract]</b>				
<b>Equity [abstract]</b>				
Issued capital				
<i>Share capital</i>	12.134	1.506	12.134	1.506
<b>Retained earnings [abstract]</b>				
Retained earnings				
<i>Retained earnings</i>	49.059	32.179	66.082	41.369
Equity				
<i>Total equity</i>	61.193	33.685	78.216	42.875
<b>Liabilities [abstract]</b>				
<b>Non-current liabilities [abstract]</b>				
<b>Trade and other non-current payables [abstract]</b>				
non current liability to shareholder and management				
<i>Long-term loans from shareholders and management</i>	1.168	23.464	1.168	23.464
Non-current liabilities				
<i>Total non-current liabilities</i>	1.168	23.464	1.168	23.464
<b>Current liabilities [abstract]</b>				
<b>Trade and other current payables [abstract]</b>				
Current trade payables				
<i>Trade payables</i>	5.921	386	3.514	182
Current liabilities				
<i>Total current liabilities</i>	11.029	5.149	8.578	4.045
<b>Miscellaneous current liabilities [abstract]</b>				

Other current liabilities  
*Other current liabilities*

5.108	4.763	5.064	3.863
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Liabilities  
*Total liabilities*

12.197	28.614	8.578	27.509
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Equity and liabilities  
*Total equity and liabilities*

73.391	62.299	87.962	70.384
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