

Pharmanovia A/S

**Jægersborg Alle 164
2820 Gentofte**

CVR no. 32 28 78 24

Annual report 2015

The annual report was presented and
adopted at the annual general meeting of
the Company on 3 June 2016



Chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Pharmanovia A/S for the financial year 1 January - 31 December 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

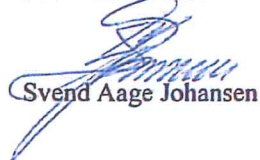
It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the result of the Company's operations for the financial year 1 January - 31 December 2015.

In our opinion, the Management's review includes a fair review of the development in the Company's operations and financial conditions, the results for the year and the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

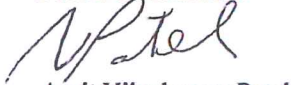
Gentofte, 3 June 2016

Executive Board

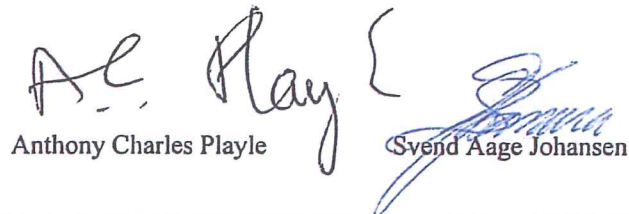


Svend Aage Johansen

Board of directors



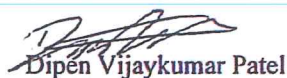
Amit Vijaykumar Patel
Chairman



Anthony Charles Playle



Svend Aage Johansen



Dipen Vijaykumar Patel
Deputy Chairman

Independent auditor's report

To the Shareholders of Pharmanovia A/S

Independent auditor's report on the financial statements

We have audited the financial statements of Pharmanovia A/S for the financial year 1 January - 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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 that Management determines is necessary to enable the preparation of 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 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 as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of 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 Company'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 financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent auditor's report

Statement on the Management's review

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

Copenhagen, 3 June 2016

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Benny Lyng Sørensen
State Authorised Public Accountant

Management's review

Company details

Company

Pharmanovia A/S
Jægersborg Alle 164
2820 Gentofte

CVR no.: 32 28 78 24
Financial year: 1 January - 31 December
Incorporated: 6 July 2009
Registered office: Gentofte

Board of Directors

Amit Vijaykumar Patel, Chairman
Dipen Vijaykumar Patel, Deputy Chairman
Svend Aage Johansen
Anthony Charles Playle

Executive Board

Svend Aage Johansen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen
Denmark

Management's review

Operating review

Primary activity

The Company's primary activities comprise sale of products in the pharmaceutical and meditechnical industries.

Development in the year

The Company's income statement for the year ended 31 December 2015 showed a loss of DKK 2,189,034, and the Company's balance sheet at 31 December 2015 showed negative equity of DKK 12,347,072.

Outlook

Profit and an increase in sales activities are expected for the next financial year.

Financial and cash resources

In the period after the balance sheet date, a capital increase has taken place, resulting in the Company's share capital being re-established and equity being positive.

Uncertainty relating to recognition and measurement

Recognition and measurement in the annual report have not been subject to any uncertainty.

Subsequent events

Except as described above under "Financial and cash resources", no events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Financial statements 1 January - 31 December

Accounting policies

The annual report of Pharmanovia A/S for 2015 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Consolidated financial statements are omitted in accordance with section 110 of the Danish Financial Statements Act.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income Statement

Gross profit

The Company uses the provision in section 32 of the Danish Financial Statements Act, under which the Company's revenue is not stated.

Gross profit comprises revenue, expenses for raw materials and consumables and other external costs.

Revenue

Income from the sale of products is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place, and the income may be reliably measured and is expected to be received.

Revenue is measured at fair value of the agreed remuneration, excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Expenses for raw materials and consumables

Expenses for raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Financial statements 1 January - 31 December

Accounting policies

Other external costs

Other external costs comprise expenses related to premises, sales, administration and bad debts, etc.

Staff costs

Staff costs comprise salaries and wages, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding refunds from public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest income and interest expense, payables and transactions in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from investments in subsidiaries are recognised in the income statement in the year when the dividends are declared.

Tax on profit/loss for the year

Tax for the year comprises current tax and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance Sheet

Intangible assets

Intangible assets are initially measured at cost.

Financial statements 1 January - 31 December

Accounting policies

Subsequently, product rights acquired are measured at cost less accumulated amortisation. Products rights are amortised on a straight-line basis over the estimated useful life.

Licences are amortised over the individual contract period, and rights are amortised over the expected useful life in which the future economic benefits of the asset are expected to be used. Amortisation of rights commences when the product has been approved by the authorities and when the rights are available for use and expected to generate economic benefits.

The estimated useful life cannot exceed 10 years.

Gains and losses on the disposal of intangible assets are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment write-down.

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

The basis of depreciation, which is calculated as cost less any residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fitting, tools and equipment	3-5	years
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Investments

Investments in group entities are measured at cost. Write-down is made to the lower of cost and recoverable amount.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Inventories are written down to the lower of net realisable value and cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Financial statements 1 January - 31 December

Accounting policies

Receivables

Receivables are measured at amortised cost, which corresponds to nominal value. The value is reduced by write-down for bad debts.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity

Dividend

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised on the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement and in equity.

Liabilities

Other liabilities are measured at net realisable value.

Prepayment received

Prepayment received comprises payments received in respect of income in subsequent years.

Financial statements 1 January - 31 December

Income statement

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
Gross profit/loss		1,474,795	-608,728
Amortisation of intangible assets and depreciation on property, plant and equipment		-786,943	-545,856
Staff costs		<u>-2,129,189</u>	<u>-1,668,606</u>
Profit/loss before financial income and expenses		-1,441,337	-2,823,190
Financial income	2	121,866	101,249
Financial expenses	3	<u>-869,563</u>	<u>-682,452</u>
Profit/loss before tax		-2,189,034	-3,404,393
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Profit/loss for the year		<u><u>-2,189,034</u></u>	<u><u>-3,404,393</u></u>
 Proposed distribution of profit			
Retained earnings		<u>-2,189,034</u>	<u>-3,404,393</u>
		<u><u>-2,189,034</u></u>	<u><u>-3,404,393</u></u>

Financial statements 1 January - 31 December

Balance sheet

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
Assets			
Product rights		<u>5,253,265</u>	<u>4,360,528</u>
Intangible assets	4	<u>5,253,265</u>	<u>4,360,528</u>
Fixtures and fittings, tools and equipment		<u>0</u>	<u>46,138</u>
Property, plant and equipment		<u>0</u>	<u>46,138</u>
Investments in subsidiaries	5	0	0
Other receivables		<u>0</u>	<u>177,905</u>
Finansielle anlægsaktiver i alt		<u>0</u>	<u>177,905</u>
Total non-current assets		<u>5,253,265</u>	<u>4,584,571</u>
Raw materials and consumables		1,371,651	1,108,725
Work in progress		879,053	879,059
Finished goods and goods for resale		<u>3,669,690</u>	<u>2,261,817</u>
Inventory		<u>5,920,394</u>	<u>4,249,601</u>
Trade receivables		3,599,172	981,282
Receivables from group entities		3,395,947	2,859,693
Receivables from associates		306,765	845
Other receivables		178,144	405,245
Prepayments		<u>0</u>	<u>25,056</u>
Receivables		<u>7,480,028</u>	<u>4,272,121</u>
Cash at bank and in hand		<u>2,482</u>	<u>1,803</u>
Total current assets		<u>13,402,904</u>	<u>8,523,525</u>
Total assets		<u><u>18,656,169</u></u>	<u><u>13,108,096</u></u>

Financial statements 1 January - 31 December

Balance sheet

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
Equity and liabilities			
Share capital		500,000	500,000
Retained earnings		<u>-12,847,072</u>	<u>-10,658,037</u>
Total equity	6	<u>-12,347,072</u>	<u>-10,158,037</u>
Other credit institutions		9,146,373	10,037,073
Trade payables		7,590,081	1,247,612
Payables to subsidiaries		0	45,704
Payables to associates		13,429,063	11,213,278
Other payables		837,724	423,270
Deferred income		<u>0</u>	<u>299,196</u>
Current liabilities		<u>31,003,241</u>	<u>23,266,133</u>
Liabilities		<u>31,003,241</u>	<u>23,266,133</u>
Total equity and liabilities		<u>18,656,169</u>	<u>13,108,096</u>
Contractual obligations and contingencies, etc.	7		

Financial statements 1 January - 31 December

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	<u>2015</u>	<u>2014</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	2,004,110	1,553,865
Pensions	99,343	84,000
Other social security costs	<u>25,736</u>	<u>30,741</u>
	<u>2,129,189</u>	<u>1,668,606</u>
Average number of employees	<u>4</u>	<u>4</u>
2 Financial income		
Interest received from group entities	121,866	89,279
Other financial income	<u>0</u>	<u>11,970</u>
	<u>121,866</u>	<u>101,249</u>
3 Financial expenses		
Interest paid to group entities	479,661	331,890
Other financial expenses	<u>389,902</u>	<u>350,562</u>
	<u>869,563</u>	<u>682,452</u>

Financial statements 1 January - 31 December

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4 Intangible assets

	<u>Product rights</u>
	DKK
Cost at 1 January 2015	5,497,706
Additions for the year	<u>1,633,542</u>
Cost at 31 December 2015	<u>7,131,248</u>
Impairment losses and amortisation at 1 January 2015	1,137,178
Amortisation for the year	<u>740,805</u>
Impairment losses and amortisation at 31 December 2015	<u>1,877,983</u>
Carrying amount at 31 December 2015	<u><u>5,253,265</u></u>
Amortised over	<u>10 years</u>

Financial statements 1 January - 31 December

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	<u>2015</u>	<u>2014</u>
	DKK	DKK
5 Investments in subsidiaries		
Cost at 1 January 2015	1,200,000	1,200,000
Cost at 31 December 2015	<u>1,200,000</u>	<u>1,200,000</u>
Revaluations at 1 January 2015	<u>-1,200,000</u>	<u>-1,200,000</u>
Revaluations at 31 December 2015	<u>-1,200,000</u>	<u>-1,200,000</u>
Carrying amount at 31 December 2015	<u><u>0</u></u>	<u><u>0</u></u>

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Place of registered office</u>	<u>Share capital</u>	<u>Votes and ownership</u>	<u>Equity</u>	<u>Loss for the year</u>
CCURE A/S	Gentofte	DKK 3,666,650	60%	-2,714,981	-692,794

6 Equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 January 2015	500,000	-10,658,038	-10,158,038
Loss for the year	0	-2,189,034	-2,189,034
Equity at 31 December 2015	<u><u>500,000</u></u>	<u><u>-12,847,072</u></u>	<u><u>-12,347,072</u></u>

The share capital consists of 500 shares of a nominal value of DKK 500 each. No shares carry any special rights.

There have been no changes in the share capital during the last five years.

Financial statements 1 January - 31 December

Notes

7 Contractual obligations and contingencies, etc.

A company charge of DKK 3 million has been granted to the Company's bank.

The Company has a rental obligation amounting to DKK 182 thousand.