

# Pharmanovia A/S

Ørestads Boulevard 108, 5.  
2300 København S  
Denmark

CVR no. 32 28 78 24

## Annual report 2021/22

The annual report was presented and approved at  
the Company's annual general meeting on

25 August 2022

Jesper Wilhelm Voss  
Chairman of the annual general meeting

## **Contents**

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements 1 April – 31 March	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11

**Pharmanovia A/S**  
Annual report 2021/22  
CVR no. 32 28 78 24

## **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 April 2021 – 31 March 2022.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2022 and of the results of the Company's operations for the financial year 1 April 2021 – 31 March 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 25 August 2022  
Executive Board:

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Jesper Wilhelm Voss

Board of Directors:

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Amit Vijaykumar Patel  
Chairman

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Neeshe Bhikhubhai  
Williams

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Felipe Andres Florez  
Arango

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James Charles Burt

## Independent auditor's report

### To the shareholder of Pharmanovia A/S

#### Opinion

We have audited the financial statements of Pharmanovia A/S for the financial year 1 April 2021 – 31 March 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 March 2022 and of the results of the Company's operations for the financial year 1 April 2021 – 31 March 2022 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

#### 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.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.

## Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Statement on the Management's review

Management is responsible for the Management's review.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 25 August 2022

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

David Olafsson  
State Authorised  
Public Accountant  
mne19737

**Pharmanovia A/S**  
Annual report 2021/22  
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## Management's review

### Company details

Pharmanovia A/S  
Ørestads Boulevard 108, 5.  
2300 København S  
Denmark

CVR no.:	32 28 78 24
Established:	6 July 2009
Registered office:	Copenhagen
Financial year:	1 April – 31 March

### Board of Directors

Amit Vijaykumar Patel, Chairman  
Neeshe Bhikhubhai Williams  
Felipe Andres Florez Arango  
James Charles Burt

### Executive Board

Jesper Wilhelm Voss

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 København Ø  
CVR no. 25 57 81 98

## **Management's review**

### **Operating review**

#### **Principal activities**

The Company's primary activities comprise sale of products in the pharmaceutical industry.

#### **Development in activities and financial position**

The Company's income statement for 2021/22 shows a loss of DKK -21,600,385 as against DKK -2,028,136 in 2020/21. Equity in the Company's balance sheet at 31 March 2022 stood at DKK -6,490,695 as against DKK 15,109,690 at 31 March 2021.

#### **Capital resources**

In accordance with the Company Act the Company has prepared a plan of action for how to re-establish the share capital. The Company expects to re-establish the share capital from the future positive results from its operations.

In order to ensure sufficient liquidity, Atrahs Pharma UK Limited has provided a guarantee and letter of support which will sufficiently cover the planned activities in the Company until the signing date of the 2022/23 annual report, which is why the Company is considered to be a going concern.

#### **Events after the balance sheet date**

No events have occurred after the balance sheet date which could significantly affect the Company's financial position.

## Financial statements 1 April – 31 March

### Income statement

DKK	Note	2021/22	2020/21
<b>Gross profit</b>		3,431,174	15,223,656
Staff costs	3	-15,916,523	-15,840,265
Depreciation, amortisation and impairment losses		<u>-7,650,991</u>	<u>-1,182,684</u>
<b>Loss before financial income and expenses</b>		-20,136,340	-1,799,293
Other financial income		0	3
Other financial expenses	4	<u>-1,464,045</u>	<u>-228,846</u>
<b>Loss before tax</b>		-21,600,385	-2,028,136
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
<b>Loss for the year</b>		<u><u>-21,600,385</u></u>	<u><u>-2,028,136</u></u>
<b>Proposed distribution of loss</b>			
Retained earnings		<u>-21,600,385</u>	<u>-2,028,136</u>
		<u><u>-21,600,385</u></u>	<u><u>-2,028,136</u></u>



## Financial statements 1 April – 31 March

### Balance sheet

DKK	Note	31/3 2022	31/3 2021
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>	5		
Product rights		1,872,740	3,230,188
Prepayment on intangible assets		<u>2,964,747</u>	<u>6,328,456</u>
		<u>4,837,487</u>	<u>9,558,644</u>
<b>Property, plant and equipment</b>	6		
Fixtures and fittings, tools and equipment		<u>171,286</u>	<u>566,063</u>
<b>Total fixed assets</b>		<u>5,008,773</u>	<u>10,124,707</u>
<b>DKK</b>			
<b>Inventories</b>			
Raw materials and consumables		3,001,728	3,240,183
Work in progress		509	16,778
Finished goods and goods for resale		<u>18,187,360</u>	<u>4,551,976</u>
		<u>21,189,597</u>	<u>7,808,937</u>
<b>Receivables</b>			
Trade receivables		31,620,042	6,868,696
Receivables from group entities		737,128	1,133,623
Other receivables		810,920	46,134
Prepayments		<u>1,972,401</u>	<u>1,508,649</u>
		<u>35,140,491</u>	<u>9,557,102</u>
<b>Cash at bank and in hand</b>		<u>14,755,556</u>	<u>421,610</u>
<b>Total current assets</b>		<u>71,085,644</u>	<u>17,787,649</u>
<b>TOTAL ASSETS</b>		<u><u>76,094,417</u></u>	<u><u>27,912,356</u></u>

## Financial statements 1 April – 31 March

### Balance sheet

DKK	Note	31/3 2022	31/3 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		1,000,001	1,000,001
Retained earnings		<u>-7,490,696</u>	<u>14,109,689</u>
<b>Total equity</b>		<u>-6,490,695</u>	<u>15,109,690</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Payables to group entities		<u>60,707,648</u>	<u>3,251,261</u>
<b>Current liabilities</b>			
Trade payables		1,728,087	3,276,492
Payables to group entities		2,245,929	2,345,458
Other payables		<u>17,903,448</u>	<u>3,929,455</u>
		<u>21,877,464</u>	<u>9,551,405</u>
<b>Total liabilities</b>		<u>82,585,112</u>	<u>12,802,666</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>76,094,417</u></u>	<u><u>27,912,356</u></u>
<b>Going concern and Capital resources</b>	2		
<b>Contractual obligations, contingencies, etc.</b>	7		
<b>Related party disclosures</b>	8		

## Financial statements 1 April – 31 March

### Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 April 2021	1,000,001	14,109,689	15,109,690
Transferred over the distribution of loss	<u>0</u>	<u>-21,600,385</u>	<u>-21,600,385</u>
<b>Equity at 31 March 2022</b>	<u><u>1,000,001</u></u>	<u><u>-7,490,696</u></u>	<u><u>-6,490,695</u></u>

## Financial statements 1 April – 31 March

### Notes

#### 1 Accounting policies

The annual report of Pharmanovia A/S for 2021/22 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

#### 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, 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

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

#### Revenue

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

Revenue is measured at the fair value of the agreed consideration 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.

#### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

#### Staff costs

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

## Financial statements 1 April – 31 March

### Notes

#### 1 Accounting policies (continued)

##### **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 comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

##### **Tax on loss for the year**

Tax for the year comprises current corporation tax for the year 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, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

### Balance sheet

#### **Intangible assets**

Intangible assets are initially measured at cost.

Subsequently, product rights acquired are measured at cost less accumulated amortisation. Product 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 7 years.

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

#### **Property, plant and equipment**

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

## Financial statements 1 April – 31 March

### Notes

#### 1 Accounting policies (continued)

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment 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.

#### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

#### Inventories

Inventories are measured at average cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Finished goods and work in progress are measured at average cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in 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.

#### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

## Financial statements 1 April – 31 March

### Notes

#### 1 Accounting policies (continued)

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

#### Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in 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 based 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. Any 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 at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

#### Liabilities

Other liabilities are measured at net realisable value.

## Financial statements 1 April – 31 March

### Notes

#### 2 Going concern and Capital resources

In accordance with the Company Act the Company has prepared a plan of action for how to re-establish the share capital. The Company expects to re-establish the share capital from the future positive results from its operations.

In order to ensure sufficient liquidity, Atnahs Pharma UK Limited has provided a guarantee and letter of support which will sufficiently cover the planned activities in the Company until the signing date of the 2022/23 annual report, which is why the Company is considered to be a going concern.

#### 3 Staff costs

DKK	2021/22	2020/21
Wages and salaries	14,161,785	14,318,039
Pensions	1,632,588	1,418,939
Other social security costs	122,150	103,287
	<u>15,916,523</u>	<u>15,840,265</u>
Average number of full-time employees	<u>18</u>	<u>15</u>

#### 4 Other financial expenses

Interest expense to group entities	1,290,654	124,074
Other financial costs	41,529	56,796
Exchange losses	131,862	47,976
	<u>1,464,045</u>	<u>228,846</u>

#### 5 Intangible assets

DKK	Product rights	Prepayment on intangible assets	Total
Cost at 1 April 2021	9,424,090	10,784,127	20,208,217
Additions for the year	0	2,584,233	2,584,233
Disposals for the year	0	-222,501	-222,501
Cost at 31 March 2022	<u>9,424,090</u>	<u>13,145,859</u>	<u>22,569,949</u>
Amortisation and impairment losses at 1 April 2021	-7,127,538	-3,522,035	-10,649,573
Impairment losses for the year	0	-6,514,554	-6,514,554
Amortisation for the year	-423,812	-144,523	-568,335
Amortisation and impairment losses at 31 March 2022	<u>-7,551,350</u>	<u>-10,181,112</u>	<u>-17,732,462</u>
<b>Carrying amount at 31 March 2022</b>	<u>1,872,740</u>	<u>2,964,747</u>	<u>4,837,487</u>



## Financial statements 1 April – 31 March

### Notes

#### 6 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment
Cost at 1 April 2021	1,681,575
Additions for the year	173,325
Cost at 31 March 2022	1,854,900
Depreciation and impairment losses at 1 April 2021	-1,115,512
Depreciation for the year	-568,102
Depreciation and impairment losses at 31 March 2022	-1,683,614
<b>Carrying amount at 31 March 2022</b>	<b>171,286</b>

#### 7 Contractual obligations, contingencies, etc.

##### Contingent assets

###### Tax asset

The Company's tax asset, mainly related to tax losses, amounts to DKK 14,975 thousand and has not been recognised, as the timing of utilisation is uncertain.

##### Contingent assets and liabilities

###### Joint taxation

The Company is jointly taxed with Atnahs Pharma Denmark ApS. The jointly taxed companies are liable for tax on the jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax, etc.

###### Other contingent liabilities

The Company is a party in a pending lawsuit. In Management's opinion, the outcome of this lawsuit will not affect the Company's financial position.

##### Operating lease obligations

Remaining operating lease obligations at the balance sheet date fall due at DKK 5,960 thousand within 5 years (31 March 2021: DKK 3,347 thousand).

## **Financial statements 1 April – 31 March**

### **Notes**

#### **8 Related party disclosures**

Pharmanovia A/S' related parties comprise the following:

##### **Control**

Atnahs Pharma UK Limited, 11-12 St. James's Square, London, SW1Y 4LB, England.

Atnahs Pharma UK Limited holds the majority of the contributed capital in the Company.

Pharmanovia A/S is part of the consolidated financial statements of Atnahs Pharma UK Limited, St. James's Square, London, SW1Y 4LB, England, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statement of Atnahs Pharma UK Limited can be obtained by contacting the Company at the address above.