

# Conrig Pharma ApS

Ole Maaløes Vej 3, 2200 København N

Company reg. no. 33 37 32 36

## Annual report

**2019**

The annual report have been submitted and approved by the general meeting on 20 April 2020.

---

Niels Skjærbæk  
Chairman of the meeting

## Contents

---

	<u>Page</u>
<b>Reports</b>	
Management's report	1
Independent auditor's report	2
<b>Management commentary</b>	
Company information	5
Financial highlights	6
Management commentary	7
<b>Financial statements 1 January - 31 December 2019</b>	
Accounting policies	8
Income statement	11
Statement of financial position	12
Notes	14

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## Management's report

---

Today, the board of directors and the executive board have presented the annual report of Conrig Pharma ApS for the financial year 2019.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 1 January – 31 December 2019.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

København N, 20 April 2020

### Executive board

John Bondo Hansen

Mikael Søndergaard Thomsen

### Board of directors

John Bondo Hansen  
Chairman of the board

Mikael Søndergaard Thomsen

Niels Skjærbæk

## **Independent auditor's report**

---

### **To the shareholders of Conrig Pharma ApS**

#### **Opinion**

We have audited the financial statements of Conrig Pharma ApS for the financial year 1 January - 31 December 2019, which comprise accounting policies, income statement, statement of financial position and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

#### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

## **Independent auditor's report**

---

### **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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

## **Independent auditor's report**

---

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 the internal control that we identify during our audit.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Glostrup, 20 April 2020

### **PKF Munkebo Vindelev**

State Authorised Public Accountants  
Company reg. no. 14 11 92 99

**Kasper Vindelev**

State Authorised Public Accountant  
mne29389

## Company information

---

**The company**

Conrig Pharma ApS  
Ole Maaløes Vej 3  
2200 København N

Company reg. no. 33 37 32 36  
Established: 20 December 2010  
Domicile: The City of Copenhagen  
Financial year: 1 January - 31 December  
9th financial year

**Board of directors**

John Bondo Hansen, Chairman of the board  
Mikael Søndergaard Thomsen  
Niels Skjærbæk

**Executive board**

John Bondo Hansen  
Mikael Søndergaard Thomsen

**Auditors**

PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab  
Hovedvejen 56  
2600 Glostrup

**Bankers**

Nordea Bank, Lyngby Torv 2, 2800 Kgs. Lyngby

## Financial highlights

---

DKK in thousands.	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Income statement:</b>					
Gross profit	-165	-388	-305	-684	-89
Profit from ordinary operating activities	-165	-388	-305	-684	-89
Net financials	-33	-18	-7	0	0
Net profit or loss for the year	-198	-398	-286	-531	-74
<b>Statement of financial position:</b>					
Balance sheet total	226	97	139	273	640
Equity	-793	-595	-197	90	620



## **Management commentary**

---

### **The principal activities of the company**

The company's principal activity is developing new medical drugs and other related operations.

### **Development in activities and financial matters**

The gross loss for the year totals DKK -165.000 against DKK -388.000 last year. Loss from ordinary activities after tax totals DKK -198.000 against DKK -398.000 last year. Management considers the net loss for the year satisfactory.

In 2019 Conrig Pharma has been in a positive development. Our lead project (ST-015) is focused on new treatments of serious respiratory disorders with primary focus on chronic cough. Conrig Pharma projects have matured accordingly. It is expected that the positive development continues in 2020 with the initial start of a clinical project PIIa, with the focus on treatment of chronic cough in patients with severe respiratory disorders. Funding for this clinical study has been identified.

There is a considerable medical unmet need for new efficacious and safe treatments of severe respiratory disorders (chronic cough), and it is expected, that there will be considerable interest in ST-015 and other Conrig Pharma projects, provided that positive data can be produced.

The company has lost more than 50 % of the equity and is thereby included in the regulation of the Danish Company Act. art. 119. It is the managements' expectation, that the share capital will be reestablished by capital increase or future earnings.

### **Events occurring after the end of the financial year**

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

## Accounting policies

---

The annual report for Conrig Pharma ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

## Accounting policies

---

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

### Income statement

#### **Gross loss**

Gross loss comprises other external costs and research and development costs.

Other operating income comprises accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs for administration.

#### **Depreciation, amortisation, and writedown for impairment**

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

#### **Research and development costs**

Research and development costs comprise costs that directly or indirectly attributable to the company's research and development activities.

#### **Financial income and expenses**

Financial income and expenses comprise interest. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

#### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

### Statement of financial position

#### **Receivables**

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

## **Accounting policies**

---

### **Cash on hand and demand deposits**

Cash on hand and demand deposits comprise cash at bank.

### **Liabilities other than provisions**

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.

## Income statement 1 January - 31 December

---

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>Gross loss</b>	<b>-165.433</b>	<b>-387.513</b>
Other financial income	0	24
Other financial costs	-33.066	-17.700
<b>Pre-tax net profit or loss</b>	<b>-198.499</b>	<b>-405.189</b>
1 Tax on net profit or loss for the year	0	7.158
<b>Net profit or loss for the year</b>	<b>-198.499</b>	<b>-398.031</b>
<b>Proposed appropriation of net profit:</b>		
Allocated from retained earnings	-198.499	-398.031
<b>Total allocations and transfers</b>	<b>-198.499</b>	<b>-398.031</b>

## Statement of financial position at 31 December

---

All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>Current assets</b>		
Other receivables	11.130	27.275
Total receivables	<u>11.130</u>	<u>27.275</u>
Cash on hand and demand deposits	<u>215.233</u>	<u>69.730</u>
<b>Total current assets</b>	<b><u>226.363</u></b>	<b><u>97.005</u></b>
<b>Total assets</b>	<b><u>226.363</u></b>	<b><u>97.005</u></b>

## Statement of financial position at 31 December

---

All amounts in DKK.

<b>Equity and liabilities</b>		
<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>Equity</b>		
2 Contributed capital	123.802	123.802
3 Retained earnings	-916.872	-718.373
<b>Total equity</b>	<b><u>-793.070</u></b>	<b><u>-594.571</u></b>
 <b>Liabilities other than provisions</b>		
Payables to group enterprises	0	421.908
Other payables	1.019.433	269.668
Total short term liabilities other than provisions	<u>1.019.433</u>	<u>691.576</u>
 <b>Total liabilities other than provisions</b>	<b><u>1.019.433</u></b>	<b><u>691.576</u></b>
 <b>Total equity and liabilities</b>	<b><u>226.363</u></b>	<b><u>97.005</u></b>

#### 4 Contingencies

## Notes

---

All amounts in DKK.

	<u>2019</u>	<u>2018</u>
<b>1. Tax on net profit or loss for the year</b>		
Tax of the results for the year	<u>0</u>	<u>-7.158</u>
	<u><b>0</b></u>	<u><b>-7.158</b></u>

	<u>31/12 2019</u>	<u>31/12 2018</u>
<b>2. Contributed capital</b>		
Contributed capital 1 January 2019	<u>123.802</u>	<u>123.802</u>
	<u><b>123.802</b></u>	<u><b>123.802</b></u>

The share capital consists of 82.535 A-shares and 41.267 B-shares, each with a nominal value of DKK 1.

<b>3. Retained earnings</b>		
Retained earnings 1 January 2019	-718.373	-320.342
Profit or loss for the year brought forward	<u>-198.499</u>	<u>-398.031</u>
	<u><b>-916.872</b></u>	<u><b>-718.373</b></u>

#### **4. Contingencies** **Contingent assets**

The company has not recognized a deferred tax asset of t.DKK 594 due to uncertainty regarding for future usage.