

Pharmamentum ApS

c/o Pharmanovia A/S, Jægersborg Allé 164
2820 Gentofte

CVR no. 36 69 90 51

Annual report 2017/18

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

9 August 2018



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 Pharmamentum ApS for the financial year 1 April 2017 – 31 March 2018.

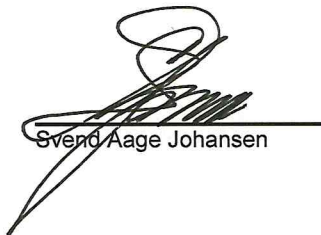
The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2018 and of the results of the Company's operations for the financial year 1 April 2017 – 31 March 2018.

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.

Gentofte, 9 August 2018
Executive Board:



Svend Aage Johansen

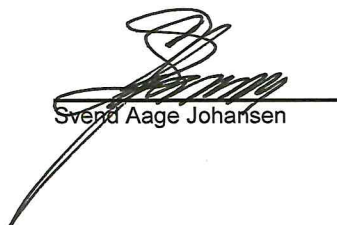
Board of Directors:

Amit Vijaykumar Patel
Chairman

Dipen Vijaykumar Patel
Vice Chairman



Anthony Charles Playle



Svend Aage Johansen

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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 Pharmamentum ApS for the financial year 1 April 2017 – 31 March 2018.

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 2018 and of the results of the Company's operations for the financial year 1 April 2017 – 31 March 2018.

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.

Gentofte, 9 August 2018
Executive Board:

Svend Aage Johansen

Board of Directors:



Amit Vijaykumar Patel
Chairman



Dipen Vijaykumar Patel
Vice Chairman

Anthony Charles Playle

Svend Aage Johansen



Independent auditor's report

To the shareholders of Pharmamentum ApS

Opinion

We have audited the financial statements of Pharmamentum ApS for the financial year 1 April 2017 – 31 March 2018 comprising income statement, balance sheet 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 2018 and of the results of the Company's operations for the financial year 1 April 2017 – 31 March 2018 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' 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter regarding matters in the financial statements

Without modifying our conclusion we refer to note 4, in which the management describes the Company's capital resources. The company is subject to the capital requirements in the Company's act § 119, as more than half of the share capital is lost.

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



Independent auditor's report

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 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.



Independent auditor's report

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, 9 August 2018

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

A handwritten signature in blue ink, appearing to read 'David Olafsson', written over a faint circular stamp or watermark.

David Olafsson
State Authorised
Public Accountant
MNE no. 19737

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Management's review

Company details

Pharmamentum ApS
c/o Pharmanovia A/S, Jægersborg Allé 164
2820 Gentofte

CVR no.: 36 69 90 51
Financial year: 1 April – 31 March

Board of Directors

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

Executive Board

Svend Aage Johansen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen

Management's review

Operating review

Principal activities

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

Development in activities and financial position

The Company's income statement for the year ended 31 March 2018 showed a loss of DKK 1,858,350, and the Company's balance sheet at 31 March 2018 showed negative equity of DKK 1,309,496.

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 acquired the full ownership of Pharmamentum in 2017/18 and has provided a credit facility which will sufficiently cover the planned activities in the Company until the signing date of the 2018/19 annual report, which is why the Company is considered to be going concern.

Outlook

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

Events after the balance sheet date

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Financial statements 1 April – 31 March

Income statement

DKK	Note	1 April 2017 - 31 Mar 2018	1 Jan 2016 - 31 Mar 2017
Gross profit/loss		-1,427,823	-576,666
Profit on sale of product rights		0	1,716,847
Operating profit/loss		-1,427,823	1,140,181
Financial expenses	2	-430,527	-95,849
Profit/Loss before tax		-1,858,350	1,044,332
Tax on profit/loss for the year		0	-235,824
Profit/loss for the year		-1,858,350	808,508
Proposed profit appropriation/distribution of loss			
Retained earnings		-1,858,350	808,508
		-1,858,350	808,508

Financial statements 1 April – 31 March

Balance sheet

DKK	Note	31 Mar 2018	31 Mar 2017
ASSETS			
Fixed assets			
Intangible assets			
Prepayment on intangible assets		<u>1,537,115</u>	<u>1,396,739</u>
		<u>1,537,115</u>	<u>1,396,739</u>
Total fixed assets		<u>1,537,115</u>	<u>1,396,739</u>
Current assets			
Inventories			
Raw materials and consumables		<u>4,521,589</u>	<u>4,857,365</u>
		<u>4,521,589</u>	<u>4,857,365</u>
Receivables			
Receivables from group entities		893,421	1,379,495
Other receivables		44,336	5,000
Prepayments		<u>214</u>	<u>439</u>
		<u>937,971</u>	<u>1,384,934</u>
Cash at bank and in hand		<u>220,964</u>	<u>815,883</u>
Total current assets		<u>5,680,524</u>	<u>7,058,182</u>
TOTAL ASSETS		<u><u>7,217,639</u></u>	<u><u>8,454,921</u></u>

Financial statements 1 April – 31 March

Balance sheet

DKK	Note	31 Mar 2018	31 Mar 2017
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50,000	50,000
Retained earnings		-1,359,496	498,855
Total equity		<u>-1,309,496</u>	<u>548,855</u>
Liabilities other than provisions			
Current liabilities			
Trade payables		179,129	101,143
Payables to group entities		8,188,503	7,410,292
Corporation tax		140,702	140,702
Other payables		18,801	253,929
		<u>8,527,135</u>	<u>7,906,066</u>
Total liabilities other than provisions		<u>8,527,135</u>	<u>7,906,066</u>
TOTAL EQUITY AND LIABILITIES		<u><u>7,217,639</u></u>	<u><u>8,454,921</u></u>
Contractual obligations, contingencies, etc.	3		
Related party disclosures	4		
Capital resources	5		

Financial statements 1 April – 31 March

Notes

1 Accounting policies

The annual report of Pharmamentum ApS for 2017/18 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.

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

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 recognised in revenue.

Other external costs

Other external costs comprise costs related to sales, administration, etc.

Financial income and expenses

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

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Tax on profit/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.

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 5 years.

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

Inventories

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

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, which corresponds to nominal value. The value is reduced by write-down for bad debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Equity

Dividends

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

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. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

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 than provisions

Other liabilities are measured at net realisable value.

Prepayments

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

Financial statements 1 April – 31 March

Notes

2 Financial expenses

DKK	2017/18	2016/17
Interest expense to group entities	429,389	93,057
Other financial costs	332	1,838
Exchange losses	806	954
	<u>430,527</u>	<u>95,849</u>

3 Contingent assets and liabilities

Joined taxation

The company is jointly taxated with Pharmanovia A/S. The jointly taxated companies are liable for tax on the jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax etc.

Tax asset

The Company's tax asset, mainly related to tax losses, amounts to DKK 1.858 thousand, has not been recognised as the utilisation is uncertain.

4 Related party disclosures

Pharmamentum ApS' related parties comprise the following:

Control

Pharmamentum ApS is part of the consolidated financial statements of Atnahs Pharma UK Limited, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Atnahs Pharma UK Limited can be obtained by contacting the Company at the following address, 11-12 St. James's Square, London, SW1Y 4LB, England.

5 Capital resources

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

In order to ensure sufficient liquidity, Atnahs Pharma UK Limited has provided a credit facility which will sufficiently cover the planned activities in the Company until the signing date of the annual report in 2018/19, why the Company is considered to be going concern.