

CONSORT MEDICAL LIMITED
(Formerly Consort Medical PLC)

ANNUAL REPORT AND FINANCIAL STATEMENTS

11 MONTH PERIOD ENDED 31 DECEMBER 2020

Registered No: 00406711

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CONSORT MEDICAL LIMITED

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CONSORT MEDICAL LIMITED

OFFICERS AND ADVISERS

Directors	Jean-Francois Hilaire Daniela Roxin Oren Klug
Registered Office	Bergen Way North Lynn Industrial Estate King's Lynn Norfolk PE30 2JJ United Kingdom
Registered Number	00406711
Independent Auditor	Ernst & Young LLP One Cambridge Business Park Cambridge United Kingdom CB1 0WZ

CONSORT MEDICAL LIMITED**STRATEGIC REPORT**

The directors present their Strategic report for the 11-month period ended 31 December 2020.

Principal activities, review of business

The Company's principal activity is to act as a holding company.

On 4 February 2020, the Company was acquired by Recipharm Holdings Limited, a directly wholly owned subsidiary of Recipharm AB ("Recipharm"). Further details are given on Recipharm's website. As a result of the acquisition, the Company de-listed from the London Stock Exchange and brought forward its reporting period to 31 January 2020 instead of the previous 30 April period-end. Due to this change in statutory reporting date, the accounts for the period ended 31 January 2020 covered a period of 9 months. Furthermore, the accounts to 31 December 2020 cover a period of 11 months, with the accounting year now aligned with the remainder of the Recipharm group.

During the period, the Recipharm group completed a legal entity rationalisation and restructuring project in order to reduce the number of legal entities in the group following the Consort acquisition by Recipharm. As a result of this project a number of investments were impaired resulting in a charge of £140.5m along with a loss on disposal of an investment of £17.7m. In addition, intercompany loans were impaired amounting to a charge of £123.1m. The carrying value of investments and intercompany loans were reduced accordingly. Also, as part of the project, the Company acquired 100% of the share capital of Aesica Queenborough Limited from Aesica Pharmaceuticals Limited and received dividends of £123.1m.

Also, given the acquisition of the Company by Recipharm, and the subsequent delisting of the Company costs amounting to £19.5m were incurred, relating to redundancy and employee related costs, asset impairments and other integration costs and professional fees associated with the acquisition by Recipharm.

Key Performance Indicators

	11 months ended 31 December 2020	9 months ended 31 January 2020
	£000	£000
Dividends received	123,146	20,000
Impairment of subsidiaries	(140,493)	-
Loss from sale of subsidiary	(17,742)	-
Impairment of intercompany loans	(123,082)	-
Profit/(loss) after tax	(188,285)	22,758
Investments in group companies	213,200	303,465
Net assets	7,763	196,321

CONSORT MEDICAL LIMITED

STRATEGIC REPORT (continued)

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties.

Foreign exchange risk

The company is exposed to foreign exchange variances on balances payable to and receivable from other group companies. Foreign exchange risk arises when there is volatility in exchange rates which can have a negative impact on the Company's result.

Interest rate risk

Interest rate risk relates to changes in LIBOR / EURIBOR, which can impact interest charged on inter-company balances.

Liquidity risk

Liquidity risk relates to the Company's ability to settle its debts as they fall due, however the company has received a letter of support from its parent company, Recipharm AB.

Brexit

On 31 January 2020, the United Kingdom (U.K.) formally departed from the E.U., commonly referred to as "Brexit" and then entered into a transition period where it remained in both the E.U. customs union and single market until 31 December 2020. On 24 December 2020, the UK government secured a trade deal with the EU which began on 1 January 2021 when the U.K. formally left the E.U. customs union and single market. The Company has considered the nature and extent of risks and uncertainties arising from the U.K.'s departure from the E.U. and the impact on the future performance and position of the business. The Company does not consider that this has had a significant impact on itself or its subsidiaries' operations and ability to service their supply chains. The Company and its subsidiaries will continue monitor outcomes, assess the impact on the regulatory environment in which they operate, their customers, supply chain and employees and will implement an appropriate response.

COVID-19

On 11 March 2020, the World Health Organisation ('WHO') declared COVID-19 as a pandemic, affecting multiple countries including the UK. The Company has considered the impact of this event on future operating performance and the uncertainties that this may create both in this Company and in its subsidiaries. There has been no material impact to manufacturing capability of the Company's subsidiaries during the pandemic. Demand for the pharmaceutical products that the Company's subsidiaries manufacture and supplies have not been adversely impacted by the pandemic as they are used to treat on-going conditions of the patients. Due to the nature of the group's activities, we do not expect any significant adverse impact arising from the pandemic.

CONSORT MEDICAL LIMITED

STRATEGIC REPORT

Directors' duties in relation to s172 Companies Act 2006

The directors consider that they have acted in the way they believe, in good faith, to promote the success of Consort Medical Limited for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term,
- the interests of the Company's and its subsidiaries' employees,
- the need to foster the Company's and its subsidiaries' business relationships with suppliers, customers and others,
- the impact of the Company's and its subsidiaries' operations on the community and environment,
- the desirability of the Company and its subsidiaries in maintaining a reputation for high standards of business conduct, and
- the need to act fairly between the shareholders of the Company.

We describe how the directors consider these factors in their decision-making below:

Employee engagement

The Company has no employees, but its subsidiaries do. The following considerations for group employees are as follows:-

The group is committed to maximising the level of employee involvement in its business at all levels. Appropriate training is given to enable employees to perform their jobs more competently and to develop their skills and competencies to their full potential. The annual performance review process allows employees to discuss career opportunities and development needs and to receive guidance and agreed actions on achieving their goals. In addition, employees are supported, through sponsorship or a contribution to costs, to study for job-related qualifications.

Employees are further involved through Consultation forums, attended by employee representatives and senior management, which typically meet every two months to discuss and resolve any issues raised to the extent possible. Communications include twice yearly business briefing sessions and an annual Town Hall meeting attended by all employees. These communications channels are further enhanced by regular functional meetings with senior management.

One subsidiary also publishes a magazine, The Pulse, twice annually as well as a two-weekly digital version that cover a wide range of topics and issues of interest to the organisation at large.

Engagement with shareholders

The Board engages directly with its shareholders on issues as necessary. The legal entity project, being a key project in the period was discussed and agreed with the Company's shareholders and was considered in the best interests of group.

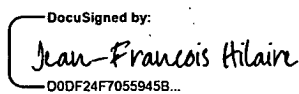
The board considers and discusses information from across the organisation to help it understand the impact of its operations, and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance, as well as information covering areas such as key risks, and legal and regulatory compliance. This information is provided to the Board through reports sent in advance of each Board meeting, and through in-person presentations.

CONSORT MEDICAL LIMITED

STRATEGIC REPORT (continued)

As a result of these activities, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

On behalf of the Board

DocuSigned by:

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Jean-Francois Hilaire
Director

19 April 2022

CONSORT MEDICAL LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the Company for the 11-month period ended 31 December 2020.

General information

The Company is a limited company incorporated and domiciled in the United Kingdom.

The Company was formerly registered as a public company, namely Consort Medical PLC, but re-registered under the Companies Act 2006 as a private company under the name of Consort Medical Limited on 31 July 2020.

Directors

The directors of the Company who held office during the period and up to the date of signing the financial statements were as follows:

Oren Klug (appointed 15 March 2022)
Thomas Eldered (appointed 4 February 2020, resigned 15 March 2021)
Mark Quick (appointed 4 February 2020, resigned 15 March 2022)
Jean-Francois Hilaire (appointed 15 March 2021)
Daniela Roxin (appointed 1 May 2021)
Christopher Brinsmead (resigned 4 February 2020)
Stephen Crummett (resigned 4 February 2020)
Maria Ginman (resigned 4 February 2020)
Jonathan Glenn (resigned 4 February 2020)
Andrew Hosty (resigned 4 February 2020)
Ian Nicholson (resigned 4 February 2020)
William Jenkins (resigned 4 February 2020)
Paul Hayes (resigned 4 February 2020)

Future developments

The company will continue to act as a holding company.

Results and dividends

The Company's loss for the period of £188,285,000 (9 months ended 31 January 2020: profit of £22,758,000) was transferred to reserves. The directors do not recommend the payment a dividend for the period (9 months ended 31 January 2020: £6,776,000).

Financial risk management and capital

The Company is subject to foreign exchange risk on Group balances. The Company is dependent upon its parent company for financing requirements.

Political and charitable contributions

The Company did not make any political or charitable contributions in the current or prior period.

CONSORT MEDICAL LIMITED

DIRECTORS' REPORT (CONTINUED)

Directors' indemnities and liability insurance

Qualifying third-party indemnity arrangements are in place for the benefit of directors in a form and scope which comply with the requirements of the Companies Act 2006. The indemnity was in force throughout the financial period and up to the date of approval of the financial statements. Insurance cover is in force in respect of personal liabilities which may be incurred by directors and officers in the course of their service with the Recipharm group.

Disclosure of information to auditor

In the case of each director, so far as each is aware, there is no relevant audit information of which the Company's auditor is unaware. Each director has taken all the steps he or she needs to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared a cash flow forecast for the period to 30 April 2023, being the going concern review period, which indicates that with ongoing financial support from its parent, Recipharm AB, the Company will have sufficient funds to meet its liabilities as they fall due for that period. Recipharm AB has confirmed that it will provide the necessary financial support to the Company for the period to 30 April 2023 to enable the Company to settle its liabilities as they fall due. The directors have made enquiries of Recipharm AB as to its ability to provide the necessary financial support.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least the period to 30 April 2023, being the going concern review period and therefore have prepared the financial statements on a going concern basis.

Auditor

During the period Ernst & Young LLP was appointed as the Company's auditor. A recommendation to re-appoint EY for the coming year will be put to the directors for approval following the signing of these financial statements.

CONSORT MEDICAL LIMITED

DIRECTORS' REPORT (CONTINUED)

Post Balance Sheet Events

Acquisition of Recipharm AB by EQT

On 14 December 2020, EQT IX, through Roar BidCo AB, announced a public offer of SEK 220 in cash per share to the shareholders of Recipharm AB (publ), the Company's ultimate parent undertaking. On 28 January 2021, it was announced that the price in the offer had increased to SEK 232 for each share in Recipharm AB (publ). A revised offer document was published on 28 January 2021 and the acceptance period for the offer expired on 12 February 2021. On 15 February 2021, Roar BidCo announced that the offer was unconditional as they owned 95.1% of the shares in Recipharm AB and initiated a compulsory redemption of the remaining shares. As a result, Recipharm AB delisted from the Nasdaq Stock Exchange and the final day of trading was 5 March 2021.

Legal Entity Rationalisation

During the period, the Recipharm group completed a legal entity rationalisation project in order to reduce the number of legal entities in the group following the acquisition of Consort Medical Ltd. In addition, the ownership structure of the UK operating companies was restructured to align the legal entity structure with the operational structure.

As a result, the following subsidiaries of the Company were struck off in May 2021:

- Aesica BC Limited
- Aesica Formulation Development Limited
- Aesica Holdco Limited
- Aesica M1 Limited
- Aesica M2 Limited
- Aesica Trustee Company Limited
- Bepak Finance Limited
- Consort Medical Finance Limited
- Consort Medical Finance 2010 Limited
- The Medical House Group Limited
- Hyperlyser Limited

Settlement of intercompany loans

As part of the continued rationalisation of the Recipharm UK entities, intercompany balances and loans were settled between the Company and its subsidiaries; Aesica Queenborough Limited and Aesica Pharmaceuticals Limited. The Company subscribed for £46.4m of shares in its subsidiary Aesica Queenborough Limited for cash. Aesica Queenborough Limited used these funds to settle its intercompany loans with Aesica Pharmaceuticals Limited, who in turn issued a dividend to Consort Medical Limited (as detailed below).

On 23 December 2021, the Company released its subsidiary; Bepak Holdings Limited from its intercompany loans totalling £33.9m resulting in a loss recognised in the Income Statement.

Receipt of dividends

On 10 March 2021 the Company received dividends of £30.0m from its wholly owned subsidiary; Bepak Europe Limited.

On 30 September 2021 the Company received dividends of £46.4m and £64.4m from its wholly owned subsidiary; Aesica Pharmaceuticals Ltd.

On 22 December 2021 the Company received dividend of £114.5m from its wholly owned subsidiary; Bepak Holdings Ltd.

CONSORT MEDICAL LIMITED

DIRECTORS' REPORT (CONTINUED)

Post Balance Sheet Events (continued)

Assets pledged as collateral

In February 2021, the Recipharm group refinanced its external debt facilities following the acquisition by EQT. Following this refinancing, in November 2021, the Company entered into a cross guarantee arrangement together with a number of other subsidiaries of the group. As a result, the Company has pledged its shares in its subsidiary Bepak Europe Limited as collateral.

Sale of shareholding in Aesica Pharmaceuticals GmbH

As part of the continued integration of Consort entities into the Recipharm group, the Company's subsidiary; Aesica Pharmaceuticals Ltd (APL) sold its 10% investment in Aesica Pharmaceuticals GmbH to another Recipharm company; Recipharm Verwaltungs GmbH. The transfer was made at fair value of £25.7m and the proceeds were left outstanding on an intercompany account in the form of a loan note. £19.8m of the proceeds were used to settle APL's Company's intercompany loan balance payable to the ultimate parent Recipharm AB (publ) and the remaining £5.9m proceeds were distributed to Consort Medical Limited. Consort Medical in turn re-distributed the £5.9m loan note to Recipharm AB (publ) as a part repayment of its existing intercompany debt.


Subscription of additional share capital in Aesica Pharmaceuticals Ltd

On 21 December 2021, Consort Medical subscribed to an additional 60 million 'D' class shares in its subsidiary Aesica Pharmaceuticals Ltd. The shares were issued at par value of 1p and the total cost of £0.6m in cash was transferred to the Aesica Pharmaceuticals Ltd immediately following the share issue.

Sale of Aesica Pharmaceuticals Ltd

On 22 December 2021, the Company entered into a Sale and Purchase Agreement to sell 100% of the share capital of its subsidiary; Aesica Pharmaceuticals Ltd, to Pharmacon UK Limited. The transaction closed on 7 January 2022.

On behalf of the Board

DocuSigned by:

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Jean-Francois Hilaire
Director

19 April 2022

CONSORT MEDICAL LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSORT MEDICAL LIMITED

Opinion

We have audited the financial statements of Consort Medical Limited for the period ended 31 December 2020 which comprise the Income Statement, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 22, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 30 April 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSORT MEDICAL LIMITED (CONTINUED)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSORT MEDICAL LIMITED (CONTINUED)

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 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 (UK) 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework, FRS101, the Companies Act 2006 and the relevant tax laws and regulations in the UK. In addition, the company has to comply with laws and regulations relating to data protection.
- We understood how the company is complying with those frameworks by making enquiries of management to understand how the company maintains and communicates its policies and procedures in those areas. We corroborated our enquiries through review of board minutes, review of correspondence with relevant authorities, as well as consideration of the results of our audit procedures across the company to either corroborate our findings or provide contrary evidence which was followed up.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by understanding which areas of the business present potential fraud risk areas (through assessing the presence of opportunities, incentives or potential rationalisation to commit such acts of fraud), understanding where these risks could present themselves and subsequently identifying the process level controls in place to prevent, or detect and correct them. Combining this with our review of entity level controls, which have evidenced management's behaviour and the culture embedded within the company, we have gained a detailed understanding of the overall susceptibility to fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included: detailed journal entry testing, with a focus on manual journals for identified fraud risks, corroborating balances where necessary to underlying supporting documentation. We also challenged assumptions and judgements made by management by reviewing third party evidence wherever possible. The results of these procedures did not identify any such instances of irregularities, including fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSORT MEDICAL LIMITED (CONTINUED)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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Rachel Wilden (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge,

19 April 2022

CONSORT MEDICAL LIMITED**INCOME STATEMENT**

For the 11 month period ended 31 December 2020

		11 months ended 31 December 2020	9 months ended 31 January 2020
	Notes	£000	£000
Administrative expenses			
-Impairment of investments in subsidiaries	13	(140,493)	-
-Impairment of intercompany loans		(123,082)	-
-Impairment of investments in minority interests		(2,308)	-
-Loss from sale of subsidiary		(17,742)	-
-Other exceptional items	9	(19,471)	(1,813)
-Other administrative expenses	5	(1,925)	(3,240)
-Other operating (expenses)/income	6	(10,534)	3,542
Operating loss		(315,555)	(1,511)
Investment income - dividends	4	123,146	20,000
Finance costs	7	(9,018)	(3,552)
Finance income	8	9,706	8,529
(Loss) / profit on ordinary activities before taxation		(191,721)	23,466
Tax credit/(charge) on (loss)/profit on ordinary activities	10	3,436	(708)
(Loss)/profit for the financial period		(188,285)	22,758

STATEMENT OF COMPREHENSIVE INCOME

For the 11 month period ended 31 December 2020

	11 months ended 31 December 2020	9 months ended 31 January 2020
	£000	£000
(Loss)/profit for the financial period	(188,285)	22,758
Total comprehensive (loss)/income for the period	(188,285)	22,758

The (loss)/profit for the financial period and total comprehensive (loss)/income for the period are attributable to the equity owners of the parent.

The accompanying notes on pages 18 to 40 are an integral part of the financial statements.

CONSORT MEDICAL LIMITED**BALANCE SHEET**

As at 31 December 2020

	Notes	As at 31 December 2020 £000	As at 31 January 2020 (restated) £000
Non-current assets			
Property, plant and equipment	11	136	1,667
Intangible assets	12	264	523
Investments in subsidiary companies	13	213,200	303,465
Investments in minority interests	13	10,795	13,103
Deferred tax assets	10	717	70
Trade and other receivables	14	142,326	288,565
		367,438	607,393
Current assets			
Trade and other receivables	14	167,008	11,531
Current tax assets		2,799	936
Derivative financial instruments		5	273
Cash and cash equivalents	15	3,196	19,874
		173,008	32,614
Total Assets		540,446	640,007
Current Liabilities			
Trade and other payables	16	(402,593)	(284,524)
Provisions and other liabilities	17	(219)	(149)
		(402,812)	(284,673)
Net current liabilities		(229,804)	(252,059)
Non-current liabilities			
Borrowings	18		(159,013)
Trade and other payables	16	(129,871)	
		(129,871)	(159,013)
Total liabilities		(532,683)	(443,686)
Net assets		7,763	196,321
Shareholders' Equity			
Share capital	19	4,998	4,937
Share premium	19	139,541	139,179
Retained Earnings		(136,776)	52,205
Total equity		7,763	196,321

The accompanying notes on pages 18 to 40 are an integral part of the financial statements.

The financial statements on pages 15 to 40 were approved by the Board of directors and authorised for issue on 19 April 2022 and signed on its behalf by:

DocuSigned by:

Jean-François Hilaire

Jean-François Hilaire

Director

Registered number: 00406711

CONSORT MEDICAL LIMITED**STATEMENT OF CHANGES IN EQUITY**

As at 31 December 2020

	Share capital	Share premium	Retained earnings	Total equity
	£000	£000	£000	£000
Balance at 30 April 2019	4,937	139,179	37,700	181,816
Profit for the financial period	-	-	22,758	22,758
Other comprehensive loss:				
Tax on amounts taken directly to equity	-	-	(450)	(450)
Total comprehensive income:	-	-	22,308	22,308
Transactions with owners:				
Recognition of share-based payments	-	-	(350)	(350)
Consideration paid for purchase of own shares (held in trust)	-	-	(677)	(677)
Equity dividends	-	-	(6,776)	(6,776)
	-	-	(7,803)	(7,803)
Balance at 31 January 2020	4,937	139,179	52,205	196,321
Loss for the financial period	-	-	(188,285)	(188,285)
Other comprehensive loss				
Tax on amounts taken directly to equity	-	-	434	434
Total comprehensive loss	-	-	(187,851)	(187,851)
Transactions with owners:				
Recognition of share-based payments	-	-	(1,056)	(1,056)
Consideration paid for purchase of own shares (held in trust)	-	-	(74)	(74)
Issue of new shares	61	362	-	423
	61	362	(1,130)	(707)
Balance at 31 December 2020	4,998	139,541	(136,776)	7,763

The accompanying notes on pages 18 to 40 are an integral part of the financial statements.

CONSORT MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

General information

Consort Medical Limited is incorporated in England and Wales, registered number 00406711. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 2.

The statutory accounts for the period ending 31 December 2020 are denominated to the nearest GBP thousands. In the prior period, the Company's reporting denomination was GBP millions.

Consolidation exemption

As at 31 December 2020, the Company was a wholly-owned subsidiary of Recipharm AB and is included in the consolidated financial statements of Recipharm AB, which are publicly available on Recipharm's website. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006.

Prior period restatements

In the prior year, amounts receivable from subsidiary undertakings incorrectly included a payable balance where there was no right of offset. As a result, both amounts receivable from subsidiary undertakings, and amounts payable to subsidiary undertakings have been increased by £13.8m to accurately present the receivable and payable on a gross basis.

Also, loan balances receivable from subsidiary undertakings of £38.1 million have been reclassified as falling due after more than one year (previously classified as falling due within one year) due to these balances not expecting to be realized within twelve months of the year end. In addition, a loan amount payable to a subsidiary undertaking of £15.9 million has been reclassified as falling due within one year (previously classified as falling due after more than one year) in line with the contractual terms of these balances.

These restatements do not have any impact on the profit for the period ended 31 January 2020 nor on the net assets of the company as at 31 January 2020.

1. Presentation of the financial statements and accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS101") and the Companies Act 2006.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third statement of financial position)
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)

CONSORT MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Presentation of the financial statements and accounting policies (continued)

Basis of preparation (continued)

- The requirement of IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group whereby a subsidiary who is a party to the transaction is wholly owned by such a member.
- Paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'

Financial reporting period

On 4 February 2020, the Company was acquired by Recipharm Holdings Limited, a directly wholly owned subsidiary of Recipharm AB. Further details are given on Recipharm's website. As a result of the acquisition, the Company de-listed from the London Stock Exchange and brought forward the reporting period to 31 January 2020 instead of its previous 30 April period-end. Due to this change in statutory reporting date, the accounts for the period ended 31 January 2020 covered a period of 9 months. Furthermore, the accounts to 31 December 2020 cover a period of 11 months, with the accounting year now aligned with the remainder of the Recipharm group.

Accounting convention

The financial statements have been prepared using the historic cost convention, as modified by certain financial assets and financial liabilities (including derivative financial instruments) at fair value. The specific accounting policies adopted, which have been approved by the Board, are described within this note and have been applied consistently in all periods presented.

Going concern basis

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared a cash flow forecast for the period to 30 April 2023, being the going concern review period, which indicates that with ongoing financial support from its parent, Recipharm AB, the Company will have sufficient funds to meet its liabilities as they fall due for that period. Recipharm AB has confirmed that it will provide the necessary financial support to the Company for the period to 30 April 2023 to enable the Company to settle its liabilities as they fall due. The directors have made enquiries of Recipharm AB as to its ability to provide the necessary financial support.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least the period to 30 April 2023, being the going concern review period and therefore have prepared the financial statements on a going concern basis.

Investments

Investments are shown at cost less provision in respect of impairments. Impairment write-downs are determined by reference to the higher of the post-tax realisable value of the investment and its ongoing value in use.

Dividends

Dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders. Interim dividends are recorded in the period in which they are approved and paid.

CONSORT MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Presentation of the financial statements and accounting policies (continued)

Exceptional items

The directors believe that presenting exceptional items disaggregated from operating expenditure as presented in the income statement provides additional useful information for shareholders on the underlying performance of the business. These measures are consistent with how business performance is measured internally. Further detail on the exceptional items in the period can be found in notes 9 and 20.

Property, plant and equipment

Property, plant and equipment is stated at historic purchase cost including any incidental costs of acquisition less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is recognised so as to write-off the cost of fixed assets (less the current expected residual value) on a straight-line basis over their expected useful lives as follows:

Leasehold improvements and other plant and equipment	3 to 10 years
--	---------------

Depreciation methods, useful lives, and residual values are reviewed at each balance sheet date as a minimum.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Assets under construction

The costs of property, plant and equipment are capitalised as incurred and are not depreciated until such time as the assets are commissioned, when the total costs are transferred to the appropriate asset category.

Intangible fixed assets

Other intangible fixed assets, including software licences, customer contracts and relationships, and distribution rights are capitalised at cost and amortised on a straight-line basis over their estimated useful economic lives. The estimated useful life of other intangible assets are as follows:

- Computer software 4 years

CONSORT MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Presentation of the financial statements and accounting policies (continued)

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred taxation is accounted for in full using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised. Their carrying amount is reviewed at each balance sheet date on the same basis.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the asset or liability is settled. It is recognised in the profit or loss account except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Foreign currencies

Items included in the financial statements of the Company are measured using that entity's functional currency, which is the currency of the primary economic environment in which the Company operates ('functional currency'). The financial statements are presented in 'Pound Sterling' (£) which is also the company's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

CONSORT MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Presentation of the financial statements and accounting policies (continued)

Critical accounting estimates and judgements

The Company makes estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

A) Carrying value of intercompany balances

In assessing the carrying value of the Company's intercompany balances, the directors take into account the net assets of the corresponding companies and the trading forecasts of those companies. The trading forecasts contain estimates and assumptions around future profitability and cash generation.

B) Carrying value of investments

In assessing the carrying value of the Company's investments in other group companies, the directors take into account the net assets of the corresponding companies and the trading forecasts of those companies. The trading forecasts contain estimates and assumptions around future profitability and cash generation.

2. Audit fees

The audit fees of the Company for the period are £40,000 (9 month period ended 31 January 2020: £98,500).

CONSORT MEDICAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****3. Employees**

Staff costs and the average monthly number of employees analysed by activity, including executive directors, are shown below:

	11 months ended 31 December 2020	9 months ended 31 January 2020
	£000	£000
Wages and salaries	654	1,531
Social security costs	129	100
Other pension costs	68	90
Termination costs	3,780	-
Share-based payments	5,098	(145)
	9,729	1,576

	11 months ended 31 December 2020	9 months ended 31 January 2020
	Average number of employees	Average number of employees
Administration and support services	7	14
	7	14

As a result of Recipharm's acquisition of the Company during the period, all share options were exercised and the associated cost of £5,097,988 is recognised within exceptional items (see note 9).

Directors' emoluments

	11 months ended 31 December 2020	9 months ended 31 January 2020
	£000	£000
Directors' remuneration:		
Remuneration and other benefits	183	1,100
Amounts receivable under LTIPs	3,613	200
Compensation for loss of office	1,998	-
	5,794	1,300

The aggregate emoluments of the highest paid director for his services as a director were £3,680,000 (9 months ended 31 January 2020: £500,000), which includes amounts receivable under a long-term incentive scheme of £2,136,000 (9 months ended 31 January 2020: £nil) and compensation for loss of office of £1,539,000 (9 months ended 31 January 2020: £nil). The highest paid director exercised share options in the period and prior period. The highest paid director did not receive any shares for qualifying services in the current or prior period.

CONSORT MEDICAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****3. Employees (continued)**

	11 months ended 31 December 2020 Number	9 months ended 31 January 2020 Number
Number of directors accruing benefits under a defined contribution scheme	-	2
Number of directors accruing benefits under a defined benefit pension scheme	-	-
Number of directors exercising share options during the period	2	2
Number of directors receiving share awards for qualifying activities during the period	-	-

4. Dividends received

	11 months ended 31 December 2020 £000	9 months ended 31 January 2020 £000
Dividends received from group undertakings	123,146	20,000

This relates to dividends received from subsidiaries as part of the legal entity rationalization project completed during the period.

5. Administrative expenses

	11 months ended 31 December 2020 £000	9 months ended 31 January 2020 £000
Employee benefits expense	851	1,576
Depreciation	226	337
Other administrative expenses	848	1,327
	1,925	3,240

6. Other operating expenses/(income)

	11 months ended 31 December 2020 £000	9 months ended 31 January 2020 £000
Foreign exchange loss / (gain) on group loans	10,810	(3,454)
Foreign exchange gains on forward contracts	(276)	(88)
	10,534	(3,542)

CONSORT MEDICAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****7. Finance costs**

	11 months ended 31 December 2020 £000	9 months-ended 31 January 2020 £000
Interest on external borrowings	288	2,692
Interest on balances payable to group undertakings	8,702	833
Interest on lease liabilities	28	27
	9,018	3,552

8. Finance income

	11 months ended 31 December 2020 £000	9 months ended 31 January 2020 £000
Interest income on balances receivable from group undertakings	9,311	7,739
Interest on deposits	12	9
Foreign exchange gains on interest-bearing loans and borrowings	383	781
	9,706	8,529

9. Other exceptional items

	11 months ended 31 December 2020 £000	9 months ended 31 January 2020 £000
Employee related takeover costs	8,878	-
Professional and other takeover fees	8,516	400
Asset impairments and other integration costs	2,077	-
Corporate acquisition costs	-	1,413
	19,471	1,813

Employee related takeover costs relate to severance payments made to Consort Medical employees who exited during the period. Also included are amounts paid to employees relating to the closure of various share option plans following the acquisition of Consort Medical by Recipharm AB.

Professional and other takeover fees relate to legal, advisory and other professional service costs relating to the acquisition of Consort Medical by Recipharm AB.

Assets impairments and other integration costs relate to the impairment of tangible and intangible assets following the closure of the Consort Medical head office during the period. Other integration costs relate to restructuring of the Consort Medical group following acquisition by Recipharm AB. Corporate acquisition costs in the prior year relate to aborted acquisitions by Consort Medical.

CONSORT MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Tax on (loss)/profit on ordinary activities

	11 months ended 31 December 2020 £000	9 months ended 31 January 2020 £000
Current tax arising in UK		
Corporation tax (credit)/charge at 19% (9 months ended 31 January 2020: 19%)	(2,799)	584
Permanent differences	-	-
Adjustment in respect of prior periods	10	-
Total current tax (credit)/charge	(2,789)	584
Deferred tax		
UK origination and reversal of timing differences	(644)	147
Adjustments in respect of prior periods	(4)	1
Impact of change in tax rates	1	(24)
Total deferred tax (credit)/charge	(647)	124
Income tax (credit)/charge reported in the income statement	(3,436)	708
Tax items taken to equity		
Deferred tax:		
Share-based payments	434	(450)
	434	(450)
Total tax charge/(credit) to equity	434	(450)

Reconciliation to UK statutory rate

The tax assessed for the period is higher (9 months ended 31 January 2020: lower) than the standard rate of corporation tax in the UK. The differences are explained below.

	11 months ended 31 December 2020 £000	9 months ended 31 January 2020 £000
(Loss)/profit on ordinary activities before taxation	(191,721)	23,466
Tax at UK corporation tax rate of 19% (31 January 2020: 19%)	(36,426)	4,459
Effects of:		
Adjustments in respect of prior years	6	1
Tax effect of non-deductible expenses and income not taxable (net)	31,975	(3,757)
Amounts not recognised	1,158	-
Effect of changes in tax rates	1	(24)
Effects of group relief	4	-
Permanent differences	-	-
Share options	(154)	29
Tax on (loss)/profit on ordinary activities	(3,436)	708

CONSORT MEDICAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****10. Tax on (loss)/profit on ordinary activities (continued)****Factors affecting future tax charge**

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%. Deferred taxes on the balance sheet have been measured at 19% (2019 – 17%) which represents the future corporation tax rate that was enacted at the balance sheet date.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end. It is not anticipated that these changes will have a material impact on the company's deferred tax balances.

Deferred tax

	11 months ended 31 December 2020 £000	9 months ended 31 January 2020 £000
Deferred tax liabilities		
Fixed assets	-	(9)
	-	(9)
Deferred tax assets		
Tax losses recognised	681	-
Share-based payments	-	79
Fixed assets	36	-
	681	79
Net deferred tax asset	717	70

CONSORT MEDICAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****10. Tax on (loss)/profit on ordinary activities (continued)**

	11 months ended 31 December 2020	9 months ended 31 January 2020
Provision for deferred tax asset	£000	£000
At beginning of period	70	210
Adjustments in respect of prior periods	4	(1)
Charged to the income statement:		
– Temporary differences	644	-
– Share-based payments	-	(147)
– Losses	-	-
– Fixed assets	-	-
– Impact of changes in tax rates	(1)	24
Credit to equity	-	(16)
At end of period	717	70

The deferred tax asset recognized in the balance sheet is deemed to be recoverable in future periods through group relief to other group undertakings.

Unrecognised tax losses

The Company has capital losses which arose in the UK of £26.6m (31 January 2020: £26.6m) that are available for offset against future chargeable gains in the UK tax group. Deferred tax assets have not been recognised in respect of these losses as it is not reasonably foreseeable that these will be utilised.

11. Property, plant and equipment

	Leasehold improvements £000	Plant and equipment £000	Leased assets £000	Assets under construction £000	Total £000
Cost					
At 1 February 2020	363	283	1,525	207	2,378
Additions	-	-	-	15	15
Reclassification to intangibles	-	-	-	(115)	(115)
Disposals	(363)	(150)	-	(1)	(514)
At 31 December 2020	-	133	1,525	106	1,764
Accumulated depreciation					
At 1 February 2020	155	166	389	-	710
Charge for the period	12	87	83	1	183
Impairment	-	-	1,053	-	1,053
Transfers	196	-	-	-	196
Disposals	(363)	(150)	-	(1)	(514)
At 31 December 2020	-	103	1,525	-	1,628
Net book value at 31 December 2020	-	30	-	106	136
Net book value at 31 January 2020	208	117	1,136	207	1,667

CONSORT MEDICAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****12. Intangible assets**

	Computer software £000	Total £000
Cost		
At 1 February 2020	898	898
Reclassifications	115	115
Additions	10	10
Disposals	(384)	(384)
At 31 December 2020	639	639
Accumulated amortisation		
At 1 February 2020	375	375
Disposals	(384)	(384)
Charge for the period	384	384
At 31 December 2020	375	375
Net book value at 31 December 2020	264	264
Net book value at 31 January 2020	523	523

Reclassifications relate to amounts transferred from assets under construction to intangible assets during the period.

13. Investments

Investment in subsidiary companies:

	Total £000
Cost	
At 1 February 2020	312,528
Additions	62,007
Disposals	(17,741)
At 31 December 2020	356,794
Accumulated impairment	
At 1 February 2020	(9,063)
Charge for the period	(140,493)
Reclassification	5,962
At 31 December 2020	(143,594)
Net book value at 31 December 2020	213,200
Net book value at 31 January 2020	303,465

The capital injection in subsidiary relates to new share capital issued by the Company's subsidiaries; Consort Medical Finance Limited, Aesica Pharmaceuticals Ltd and Bepak Holdings Ltd, as part of the legal entity rationalization project.

The impairment of investments in subsidiaries was recognized when the Company's subsidiaries balance sheets were wound down during the period in preparation for voluntary strike off.

The reclassification represents the reclassification of a prior year provision which related to intercompany receivables.

CONSORT MEDICAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****13. Investments (continued)****Other equity investments**

	Total £000
Cost	
At 1 February 2020 and 31 December 2020	13,103
Accumulated impairment	
At 1 February 2020	
Charge for the period	(2,308)
At 31 December 2020	(2,308)
Net book value at 31 December 2020	10,795
Net book value at 31 January 2020	13,103

Other equity investments relate to a 1.3% (31 January 2020: 13.8%) shareholding in Oxular Limited, a retinal therapeutics company and a 8.88% (31 January 2020: 15.2%) shareholding in Binx Health Limited, a healthcare technology company with an ultra-rapid point-of-care diagnostics platform.

The company has not made any further investments in Oxular Limited or Binx Health Limited during the period (31 January 2020: £0.7m). The Company has also not received any dividend from these companies during the period. The Company has accounted for both Oxular Limited and Binx Health Limited as equity investments.

The Company's direct and indirect subsidiaries at the balance sheet date are as follows:

Company	Registered Address	% of ordinary shares	Nature of business
Bespak Europe Limited	Bergen Way, North Lynn Industrial Estate, King's Lynn, Norfolk, England, PE30 2JJ	100	Drug delivery device manufacturer
Bespak Holdings Limited	Bergen Way, North Lynn Industrial Estate, King's Lynn, Norfolk, England, PE30 2JJ	100	Holding company
Aesica Pharmaceuticals Limited	Windmill Industrial Estate, Shotton Lane, Cramlington, Northumberland, England, NE23 3JL	100	Pharmaceutical ingredients/products manufacturer
Aesica Queenborough Ltd	North Road, Queenborough, Kent, England, ME11 5EL	100	Pharmaceutical ingredients/products manufacturer
Aesica LLC*	Neptune City, New Jersey 07754, United States	100	Commercial services
Consort Medical Srl*	Via Praglia, 15 10044 Pianezza Italy	100	Holding company

CONSORT MEDICAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****13. Investments (continued)**

Company	Country of registration	% of ordinary shares	Nature of business
Aesica Pharmaceuticals Srl*	Via Praglia, 15 10044 Pianezza Italy	100	Pharmaceutical products/packaging manufacturing
Consort Medical GmbH*	Galileistraße 6 D-08056, Zwickau Germany	100	Holding company
Aesica Pharmaceuticals GmbH*	Galileistraße 6 D-08056, Zwickau Germany	100	Pharmaceutical products/packaging manufacturing
H&M Rubber Company Inc.*	4200 Mogadore Road Kent, OH 44240 United States	100	Non-trading
Consort Medical Finance Ireland Ltd*	Bergen Way, North Lynn Industrial Estate, King's Lynn, Norfolk, England, PE30 2JJ	100	Non-trading
Integrated Aluminium Components Ltd*	Bergen Way, North Lynn Industrial Estate, King's Lynn, Norfolk, England, PE30 2JJ	100	Manufacturer of anodised parts and pressings
The Medical House Ltd*	Bergen Way, North Lynn Industrial Estate, King's Lynn, Norfolk, England, PE30 2JJ	100	Development of disposable auto-injector systems
Medical House Products Ltd*	Bergen Way, North Lynn Industrial Estate, King's Lynn, Norfolk, England, PE30 2JJ	100	Development of disposable auto-injector systems
Medical House (ASI) Ltd*	Bergen Way, North Lynn Industrial Estate, King's Lynn, Norfolk, England, PE30 2JJ	100	Development of disposable auto-injector systems
Bespak LLC*	Corporataion trust Center, 1209 Orange Street, Wilmington, New Castle County Delaware 19801 United States	100	Commercial services

CONSORT MEDICAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****13. Investments (continued)**

Company	Country of registration	% of ordinary shares	Nature of business
The Medical House Group Ltd**	Bergen Way, North Lynn Industrial Estate, King's Lynn, Norfolk, England, PE30 2JJ	100	Holding company
Hyperlyser Ltd**	Bergen Way, North Lynn Industrial Estate, King's Lynn, Norfolk, England, PE30 2JJ	100	Non-trading
Aesica Holdco Limited**	Windmill Industrial Estate, Shotton Lane, Cramlington, Northumberland, England, NE23 3JL	100	Non-trading
Aesica M1 Limited**	Windmill Industrial Estate, Shotton Lane, Cramlington, Northumberland, England, NE23 3JL	100	Non-trading
Aesica M2 Limited**	Windmill Industrial Estate, Shotton Lane, Cramlington, Northumberland, England, NE23 3JL	100	Non-trading
Aesica BC Limited**	Windmill Industrial Estate, Shotton Lane, Cramlington, Northumberland, England, NE23 3JL	100	Non-trading
Aesica Formulation Development Limited**	Windmill Industrial Estate, Shotton Lane, Cramlington, Northumberland, England, NE23 3JL	100	Non-trading
Aesica Trustee Company Limited**	Windmill Industrial Estate, Shotton Lane, Cramlington, Northumberland, England, NE23 3JL	100	Non-trading

CONSORT MEDICAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****13. Investments (continued)**

Company	Country of registration	% of ordinary shares	Nature of business
Consort Medical Finance 2010 Ltd**	Bergen Way, North Lynn Industrial Estate, King's Lynn, Norfolk, England, PE30 2JJ	100	Non-trading
Consort Medical Finance Ltd**	Bergen Way, North Lynn Industrial Estate, King's Lynn, Norfolk, England, PE30 2JJ	100	Non-trading
Bespak Finance Limited**	Bergen Way, North Lynn Industrial Estate, King's Lynn, Norfolk, England, PE30 2JJ	100	Non-trading

*Indirect subsidiaries held by Consort Medical Ltd

** Indirect subsidiaries struck off after the Balance Sheet date

During the period, the Recipharm group completed a legal entity rationalisation project in order to reduce the number of legal entities in the group following the Consort acquisition by Recipharm. As a result, the Company fully impaired its investments in Consort Medical Finance 2010 Limited, Bespak Finance Limited and Aesica Holdco Limited. In addition, the Company sold its investment in The Medical House Limited to its subsidiary, Bespak Europe Limited for £1 and this resulted in a loss of £17.7m on sale.

After the period end, the Recipharm group completed a further legal entity rationalisation project in order to reduce the number of legal entities in the group following the acquisition of Consort Medical Ltd. In addition, the ownership structure of the UK operating companies was restructured to align the legal entity structure with the operational structure.

As a result, the following subsidiaries of the Company were struck off in May 2021:

- Aesica BC Limited
- Aesica Formulation Development Limited
- Aesica Holdco Limited
- Aesica M1 Limited
- Aesica M2 Limited
- Aesica Trustee Company Limited
- Bespak Finance Limited
- Consort Medical Finance Limited
- Consort Medical Finance 2010 Limited
- The Medical House Group Limited
- Hyperlyser Limited

CONSORT MEDICAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****14. Trade and other receivables**

	31 December 2020	31 January 2020 (restated)
	£000	£000
Amounts receivable from subsidiary undertakings	309,287	299,831
Other taxation	47	138
Prepayments	-	127
	309,334	300,096
Due within one year	167,008	11,531
Due after more than one year	142,326	288,565
	309,334	300,096

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security. Amounts receivable from subsidiary undertakings include amounts denominated in GBP, USD and EUR on which interest is charged at rates linked to LIBOR and EURIBOR.

15. Cash and cash equivalents

	31 December 2020 £000	31 January 2020 £000
Cash at bank and in hand	3,196	19,874
	3,196	19,874

CONSORT MEDICAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****16. Trade and other payables**

	As at 31 December 2020 £000	As at 31 January 2020 (restated) £000
Trade payables	14	38
Amounts payable to subsidiary undertakings	370,381	280,081
Amounts payable to parent undertaking	160,986	-
Other taxation and social security	-	175
Lease liability	845	1,257
Accruals	238	2,973
	532,464	284,524
Due after more than one year	129,871	-
Due within one year	402,593	284,524
	532,464	284,524

Amounts payable to subsidiary undertakings include amounts denominated in GBP and EUR on which interest is charged at rates linked to LIBOR and EURIBOR.

Balances due after more than one year are relate to an intercompany loan payable to the Company's ultimate parent; Recipharm AB. The loan terminates on 24 February 2025 and interest is charged at rates linked to LIBOR and EURIBOR.

17. Provisions and other liabilities

	Restructuring & other provisions £000	Total £000
Balance at 1 February 2020	149	249
Additions in the period	70	-
Utilised in the period	-	(100)
Balance at 31 December 2020	219	149
Current	219	149
Non-current	-	-

Restructuring and other provisions relates to amounts paid for professional advisors in the lead up to the acquisition of Consort Medical by Recipharm.

CONSORT MEDICAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****18. Borrowings**

	31 December 2020	31 January 2020
	£000	£000
Interest bearing loans and borrowings	-	159,013
	<u>-</u>	<u>159,013</u>

On 9 October 2018 the Company entered into a five year committed £200m multicurrency revolving credit facility with an £80m accordion feature and options for two one-year extensions by mutual consent. As a result of the acquisition of Consort Medical Limited and its subsidiary undertakings by Recipharm Holdings Limited, the facility was cancelled and repaid in February 2020 and replaced with an intercompany loan from Recipharm AB.

Interest on the revolving credit facility was charged at LIBOR plus a margin depending upon the ratio of net debt to EBITDA and on UK overdrafts at either a fixed margin above UK base rate or at the prevailing rate per the revolving credit facility.

19. Called up share capital

	No. of shares	£000
Allotted, called up and fully paid:		
At 31 January 2020:	49,364,234	4,937
Issue of new shares	612,294	61
At 31 December 2020:	<u>49,976,528</u>	<u>4,998</u>

The nominal value of each share is 10p.

New shares were issued during the period in respect of Save As You Earn (SAYE) share option plan. The ordinary shares hold full voting and dividend rights:

The share premium account contains the premium arising on the issue of shares, net of issue expenses.

CONSORT MEDICAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****20. Employee share schemes****Share options**

The Consort Group operated share award schemes whereby awards were granted to employees to acquire shares in Consort Medical plc (now Consort Medical Limited) at no cost, subject to the achievement by the Group of certain specified performance targets. It also offered savings-related share option schemes.

Grants of share options were normally exercisable at the end of the three-year vesting/performance period. Grants under savings-related share option schemes were normally exercisable after three years' saving. Grants under share option schemes are normally exercisable between three and ten years from the date of grant. Options under the share option schemes were normally granted at the market price ruling at the date of grant. The majority of options under the savings-related share option schemes were granted at the market price ruling at the date of grant.

As a result of the acquisition of Consort Medical by Recipharm AB, all Consort share based payment awards fully vested on 4 February 2020. All shares in these schemes were exercised and the associated cost recognised within exceptional items.

Share-based compensation recognised in the income statement

	11 months ended 31 December 2020	9 months ended 31 January 2020
Staff costs	-	(145)
Exceptional items (note 9)	5,098	-
	5,098	(145)

Options outstanding**Save As You Earn Scheme**

	31 December 2020		31 January 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at beginning of period	363,573	8.6p	165,865	11.1p
Granted	-	-	290,918	774.0p
Exercised	(363,573)	1010p	-	-
Forfeited	-	-	(93,210)	9.0p
Outstanding at end of period	-	-	363,573	8.6p
Exercisable at end of period	-	-	-	-

Performance Share Plan (LTIP)

The Company operated performance share plans whereby awards were granted to directors and senior management at no cost. The percentage of each award that vests was based upon the performance of the Consort Group over a three-year measurement period.

CONSORT MEDICAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****20. Employee share schemes (continued)****Performance Share Plan (PSP)**

	31 December 2020	31 January 2020
Number of shares issuable	Number	Number
Performance shares		
At beginning of period	728,118	513,438
Granted	-	369,684
Exercised	(728,118)	(34,137)
Forfeited	-	(120,867)
At end of period	-	728,118

Deferred Bonus Plan (DBP)

The Group operated a Deferred Bonus Plan whereby awards were granted to directors and senior management at no cost. The percentage of each award that vests was based upon the performance of the Consort Group over a three-year measurement period.

	31 December 2020	31 January 2020
Number of shares issuable	Number	Number
Deferred bonus plan shares		
At beginning of period	102,346	92,235
Granted	-	45,346
Exercised	(102,346)	(30,084)
Forfeited	-	(5,151)
At end of period	-	102,346

21. Parent undertaking and controlling party

The immediate parent undertaking is Recipharm Holdings Limited, which owns 100% of the Company's share capital. At 31 December 2020, the Company's ultimate parent undertaking and controlling party was Recipharm AB and consolidated group financial statements, which include Consort Medical Limited, are available from Recipharm AB's registered office at Drottninggatan 29, Box 603, 101 32 Stockholm, Sweden.

After the balance sheet date, the Company's ultimate parent undertaking, Recipharm AB was acquired by RoarBidCo AB. See note 22 for details. Going forward the company's ultimate parent undertaking in which the results of this Company will be consolidated, will be Roar HoldCo AB.

CONSORT MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. Events after the reporting period

Acquisition of Recipharm AB by EQT

On 14 December 2020, EQT IX, through Roar BidCo AB, announced a public offer of SEK 220 in cash per share to the shareholders of Recipharm AB (publ), the Company's ultimate parent undertaking. On 28 January 2021, it was announced that the price in the offer had increased to SEK 232 for each share in Recipharm AB (publ). A revised offer document was published on 28 January 2021 and the acceptance period for the offer expired on 12 February 2021. On 15 February 2021, Roar BidCo announced that the offer was unconditional as they owned 95.1% of the shares in Recipharm AB and initiated a compulsory redemption of the remaining shares. As a result, Recipharm AB delisted from the Nasdaq Stock Exchange and the final day of trading was 5 March 2021.

Legal Entity Rationalisation

During the period, the Recipharm group completed a legal entity rationalisation project in order to reduce the number of legal entities in the group following the acquisition of Consort Medical Ltd. In addition, the ownership structure of the UK operating companies was restructured to align the legal entity structure with the operational structure.

As a result, the following subsidiaries of the Company were struck off May 2021:

- Aesica BC Limited
- Aesica Formulation Development Limited
- Aesica Holdco Limited
- Aesica M1 Limited
- Aesica M2 Limited
- Aesica Trustee Company Limited
- Bepak Finance Limited
- Consort Medical Finance Limited
- Consort Medical Finance 2010 Limited
- The Medical House Group Limited
- Hyperlyser Limited

Settlement of intercompany loans

As part of the continued rationalisation of the Recipharm UK entities, intercompany balances and loans were settled between the Company and its subsidiaries; Aesica Queenborough Limited and Aesica Pharmaceuticals Limited. The Company subscribed for £46.4m of shares in its subsidiary Aesica Queenborough Limited for cash. Aesica Queenborough Limited used these funds to settle its intercompany loans with Aesica Pharmaceuticals Limited, who in turn issued a dividend to Consort Medical Limited (as detailed below).

On 23 December 2021, the Company released its subsidiary; Bepak Holdings Limited from its intercompany loans totalling £33.9m resulting in a loss recognised in the Income Statement.

Receipt of dividends

On 10 March 2021 the Company received dividends of £30.0m from its wholly owned subsidiary; Bepak Europe Limited.

On 30 September 2021 the Company received dividends of £46.4m and £64.4m from its wholly owned subsidiary; Aesica Pharmaceuticals Ltd.

On 22 December 2021 the Company received dividend of £114.5m from its wholly owned subsidiary; Bepak Holdings Ltd.

CONSORT MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. Events after the reporting period (continued)

Assets Pledged as collateral

In February 2021, the Recipharm group refinanced its external debt facilities following the acquisition by EQT. Following this refinancing, in November 2021, the Company entered into a cross guarantee arrangement together with a number of other subsidiaries of the group. As a result, the Company has pledged its shares in its subsidiary Bepak Europe Limited as collateral.

Sale of shareholding in Aesica Pharmaceuticals GmbH

As part of the continued integration of Consort entities into the Recipharm group, the Company's subsidiary; Aesica Pharmaceuticals Ltd (APL) sold its 10% investment in Aesica Pharmaceuticals GmbH to another Recipharm company; Recipharm Verwaltungs GmbH. The transfer was made at fair value of £25.7m and the proceeds were left outstanding on an intercompany account in the form of a loan note. £19.8m of the proceeds were used to settle APL's Company's intercompany loan balance payable to the ultimate parent Recipharm AB (publ) and the remaining £5.9m proceeds were distributed to Consort Medical Limited. Consort Medical in turn re-distributed the £5.9m loan note to Recipharm AB (publ) as a part repayment of its existing intercompany debt.

Subscription of additional share capital in Aesica Pharmaceuticals Ltd

On 21 December 2021, Consort Medical subscribed to an additional 60 million 'D' class shares in its subsidiary Aesica Pharmaceuticals Ltd. The shares were issued at par value of 1p and the total cost of £0.6m in cash was transferred to the Aesica Pharmaceuticals Ltd immediately following the share issue.

Sale of Aesica Pharmaceuticals Ltd

On 22 December 2021, the Company entered into a Sale and Purchase Agreement to sell 100% of the share capital of its subsidiary; Aesica Pharmaceuticals Ltd, to Pharmaron UK Limited. The transaction closed on 7 January 2022.