

**Company Registration No. 3145216**

**Axonics Women's Health Limited ( formerly  
Contura Limited)**

**Annual Report and Financial Statements**

**For the year ended 31 December 2020**

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# **Axonics Women's Health Limited (formerly Contura Limited)**

## **Annual report and financial statements 2020**

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# **Axonics Women's Health Limited (formerly Contura Limited)**

## **Annual report and financial statements 2020**

### **Officers and professional advisers**

#### **Directors**

R.W. Cohen

D.L. Dearen

#### **Registered office**

5<sup>th</sup> Floor

One New Change

London

EC4M 9AF

#### **Bankers**

Clydesdale Bank plc

2<sup>nd</sup> Floor

40 St Vincent Place

Glasgow

G1 2HL

#### **Solicitors**

K&L Gates LLP

One New Change

London

EC4M 9AF

#### **Auditor**

MHA MacIntyre Hudson

Statutory Auditor

2 London Wall Place

London, United Kingdom

EC2Y 5AU

# **Axonics Women's Health Limited (formerly Contura Limited)**

## **Strategic Report**

### **PRINCIPAL ACTIVITY**

Axonics Women's Health Limited ('the Company') and its subsidiaries (collectively referred to as the 'Group') is a speciality healthcare group that focuses on meeting the needs of the specialist physician. This strategic report has been prepared for the Group and therefore gives greater emphasis to those matters which are significant to the Group.

### **BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

During the year the Group made a loss before taxation of £1,178,673 (2019 - £1,642,567 profit). The Group generated sales of £12,081,765 (2019 - £13,722,806) during the year, a year-on-year decrease of 12.0%. The directors expect sales to increase in 2021 as the world economy recovers from the impact of Covid 19.

The following events were significant to the Group in 2020.

#### **(i) Covid 19**

In March 2020 governments around the world announced certain restriction on the movement of people in order to mitigate the potential impact of Covid 19 upon their respective health services. These restrictions were accompanied by a significant reduction in hospital elective procedures as health services sought to focus upon the treatment of Covid 19 patients and reduce the risk of hospital born transmission of the disease. These restrictions were lifted in part by the summer of 2020 before being reimposed in many countries in November 2020, when a second wave of Covid 19 resurfaced. As a result of these restrictions and the consequent reductions in elective procedures, Group Bulkamid revenues fell in 2020 to £8,425,590 (2019 - £9,407,545), a decline of 10.4%. This decline in Bulkamid sales came despite the approval and launch of the product in the United States in March 2020.

#### **(ii) Approval of Bulkamid in the United States**

Bulkamid, the Group's bulking agent for stress urinary incontinence, was approved by the United States Food & Drug Administration on 28 January 2020. Following this approval, the Group established a United States sales office in California and recruited a team of contractors and employees to launch the product onto the United States market. Product launch occurred in March 2020, shortly before Covid 19 forced the shut down of much of the United States health care system. Notwithstanding the impact of Covid 19 upon the Group's launch plans, Bulkamid revenues in the United States amounted to £1,568,269 in the ten months for which sales activity occurred.

#### **(iii) Completion of recruitment into Arthrosamid Rosa study**

In April 2020 the Group completed recruitment for a multi-center, randomized, controlled, double-blinded clinical study of Arthrosamid in patients with knee osteoarthritis. The study enrolled 241 patients at three specialist treatment centers. The study compares the reduction in pain achieved at three-months, six-months and one-year post treatment, following a single injection of Arthrosamid with the reduction in pain achieved with a major brand of hyaluronic acid, a common treatment for osteoarthritis of the knee. Results from the study are expected in the second quarter of 2021.

#### **(iv) Completion of Arthrosamid IDA study**

In October 2020 the Group completed its open label clinical study of Arthrosamid for knee osteoarthritis. The study enrolled 49 patients at three specialist treatment centers and aimed to demonstrate a significant reduction in pain in Arthrosamid treated patients with osteoarthritis of the knee. The study demonstrated that the excellent three-month results observed in patients treated with Arthrosamid were maintained through the twelve month period of the study.

#### **(v) Capital Reduction**

On 8 December 2020 the share capital of the Company was reduced by £21,439,053 by the cancellation of share premium standing to the Company's share premium account in order to reduce the deficit on the Company's profit and loss account, with a corresponding entry of a like amount to distributable reserves. This capital reduction was effected by special resolution of the Company, supported by a solvency statement pursuant to sections 642-644 of the Companies Act 2006.

# Axonics Women's Health Limited (formerly Contura Limited)

## Strategic Report

### POST BALANCE SHEET EVENTS

On 3 February 2021, the Company entered into a deed of transfer with Contura Orthopaedics Limited, a fellow subsidiary undertaking of Contura Holdings Limited, the Company's parent company at that time. Under the deed of transfer, the Company transferred the whole of its shareholding in Speciality European Pharma Italy S.r.l to Contura Orthopaedics Limited.

On 4 February 2021, the Company entered into an agreement for the sale of the entire issued share capital of Contura A/S, its wholly owned subsidiary. Under the terms of that agreement, Contura A/S was sold to Contura International Limited, a fellow subsidiary undertaking of Contura Holdings Limited, the Company's parent undertaking at that time.

On 25 February 2021, the Company was acquired by Axonics Modulation Technologies, U.K. Limited, whereupon its ultimate parent undertaking became Axonics Modulation Technologies, Inc.

### KEY PERFORMANCE INDICATORS ("KPIs")

During 2020, the Group pursued a strategy intended to generate long-term value for shareholders by building and commercialising a portfolio of healthcare products registered for sale by the Company, by its subsidiaries or by marketing partners in major territories of the world. The principal KPIs of the business are the progress of the Group's portfolio of healthcare products through the regulatory process in the territories in which it seeks to market such products, the market penetration of those products once regulatory approval has been received, the cost effective and regulatory compliant manufacture of the Group's products and securing the finance necessary to acquire, register, produce and launch healthcare products. It is in the nature of the Group's business at its present stage of development that these KPIs are not readily or meaningfully comparable year on year as simple metrics.

As described in the 'Risks and Uncertainties' section of this report, delays can be experienced on progress with regulatory approval of the Group's products due to factors beyond its control, including failure by regulators to deal with regulatory filings in a timely manner. Consequently it is not appropriate to set precise targets of the timings of future product launches in new territories.

The Group's principal financial KPIs are as follows:

	2020 £	2019 £	Movement
<b>Balance sheet</b>			
Cash	987,573	537,935	Up 83.6%
Shareholder loan	6,058,293	4,566,418	Up 32.7%
<b>Profit &amp; loss account</b>			
Revenue from continuing operations	12,081,765	13,722,806	Down 12.0%
Earnings before interest, tax and depreciation	131,281	2,981,075	Down 95.6%

### PRINCIPAL RISKS AND UNCERTAINTIES

The Group faces a number of risks and uncertainties that are common to speciality healthcare companies.

#### General

The legislative, regulatory and market environments in which the Group operates are outside of its control and may render some or all of the market information invalid or incomplete or its products obsolete.

#### Regulatory

Regulatory bodies around the world have different requirements for the approval of healthcare products. This may result in restriction of indication, denial of approval or demands for additional data, particularly in those territories in which approval has not yet been received by the Group.

After product approval, safety or efficacy issues may emerge during post-marketing surveillance, which may result in withdrawal or restriction of the product license. This may have an impact on the growth plans of the Group.

The Group seeks to mitigate its regulatory risk by employing expert third party regulatory advisers.

# **Axonics Women's Health Limited (formerly Contura Limited)**

## **Strategic Report**

### **Clinical**

Failure may occur at any stage during the clinical development or post marketing of a product due to safety or clinical efficacy issues.

Clinical development programmes may encounter delays due to the performance of contract research organisations or other third parties, obtaining the required regulatory and ethical approvals, patient recruitment, preparation of product supplies for trials or the requirement for additional preclinical or clinical testing.

### **Manufacturing**

Notwithstanding contractual terms to the contrary, contract manufacturers and suppliers used by the Group could cease supply at short notice, resulting in delays in product sales and increased costs.

Manufacturing development programmes may encounter delays due to technical problems, for instance in scaling-up manufacturing processes so that commercial quantities of products can be made.

Third-party manufacturers are subject to regulatory requirements, which may impact on the Group's development and commercialisation of its products.

The Group seeks to mitigate its manufacturing risk, where it is commercially reasonable to do so, by purchasing manufactured goods from more than one source of supply.

### **Commercial**

The Group may not achieve commercial success of an approved product owing to factors such as its clinical performance, restriction of approved indication, competitive environment, the emergence of treatments offering an advantage over the Group's products, the Group's ability to conclude effective distribution and licensing deals, performance of the licensee or distributor, pricing and reimbursement.

Reimbursement agencies may not agree to cover the cost of an approved product. Delays in reimbursement or its denial will limit adoption of the product in the market.

### **Intellectual property**

The Group may not be able to secure and maintain intellectual property protection for its products and challenges may be made to any intellectual property the Group owns or attempts to obtain. There can be no guarantee that the Group's current and future patent applications will be granted or that existing patents will not be challenged or revoked.

In the event of any infringement of intellectual property owned by a third party, there can be no guarantee that the Group would be able to obtain an appropriate licence to such intellectual property or otherwise suitably alter its activities.

There can be no assurance that competitors have not developed or will not develop substantially equivalent technologies, design around the Group's patents or develop unique competing technologies or products.

### **Investments**

The Group seeks to invest its cash so as to maximise its returns subject to the overriding requirement to minimise risk of capital loss. Cash is typically held in different currencies so as to provide a natural hedge against the Group's net operating cash outflows and is largely deposited with financial institutions with high credit ratings.

### **Financial instruments**

The risks arising from the Group's financial instruments are credit risk, currency risk, liquidity risk and market price risk. The Group does not use derivative financial instruments for speculative purposes.

#### **Credit risk**

The Group's principal financial assets are bank balances and cash and trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debtors. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

#### **Currency risk**

The Group's activities expose it to the financial risk of changing foreign currency exchange rates. Where material to the Group, it uses foreign exchange forward contracts or holds a mix of currencies to hedge these exposures. There are no forward exchange contracts as at 31 December 2020 and 31 December 2019.

# Axonics Women's Health Limited (formerly Contura Limited)

## Strategic Report

### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group maintains a mixture of long-term and short-term cash deposits.

### *Market price risk*

The Group is exposed to market price risk. The Group seeks to manage this risk by securing long-term supply agreements.

## RESEARCH AND DEVELOPMENT

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised and amortised over the period during which the Group is expected to benefit. This period is between five and eight years. Provision is made for any impairment.

## IMPACT OF COVID-19

As a result of Covid-19, many countries have implemented measures to contain the virus. These measures range in severity, but typically involve a degree of lockdown that limits the movement of people and prevents significant gatherings. An important aspect of these measures is that many governments have required their health services to suspend elective procedures in hospitals, so that they may focus upon patients suffering from Covid-19 and limit spread of the disease. One of the products sold by the Group, Bulkamid, is used in elective procedures and as a result, the measures taken to restrict such procedures have had a significant effect upon the Group's revenues in 2020 and will continue to impact revenues in 2021 and potentially beyond.

Vaccines have now been developed to counter the threat of Covid 19, but the speed of roll out of these vaccines varies by country, so there is still little clarity how long the preventative measures will continue. To mitigate against the risk of substantially reduced revenues, the Group took actions in 2020 to reduce costs and took advantage of government introduced schemes to protect companies from the effects of Covid-19. These cost saving measures are expected to continue to a limited extent through 2021.

Management has assessed the likely impact of Covid-19 upon the Group's business and is confident that while revenues will continue to be depressed in 2021, the Group is financially well placed to weather such depressed sales. Furthermore, Management has reviewed the potential impact upon its business, of interruptions to product supply caused by Covid-19 related disturbances at its key suppliers. Management considers such potential impact to be small, due to the level of finished goods that it holds and due to the stock level of critical components held by its suppliers.

## RESULTS AND DIVIDENDS

The results for the year are as follows:

	2020 £	2019 £
Profit and loss account at beginning of year	(18,300,130)	(19,679,173)
(Loss) profit for the financial year	(1,179,060)	1,776,989
Currency translation difference arising on translation of foreign currency subsidiaries	568,455	(397,946)
Capital reduction	21,439,053	-
Profit and loss account at end of year	<u>2,528,318</u>	<u>(18,300,130)</u>

The directors do not recommend the payment of a dividend (2019: £nil).

Approved by the Board of Directors  
and signed on behalf of the Board



D.L. Dearen  
Director

Date: 14 December 2021

## **Axonics Women's Health Limited (formerly Contura Limited)**

### **Directors' report**

The directors present their report on the affairs of the Group, together with the financial statements and auditor's report for the year ended 31 December 2020.

#### **CHANGE OF NAME**

On 16 March 2021 Contura limited changed its name to Axonics Women's Health Limited.

#### **DIRECTORS**

The directors who served throughout the year and to the date of this report were as follows:

R.W. Cohen (appointed 25 February 2021)  
D.L. Dearen (appointed 25 February 2021)  
P J Banks (resigned 25 February 2021)  
R.C. Tailor (resigned 25 February 2021)  
I. Jacobson (resigned 25 February 2021)  
G.J. Fraser-Pye (resigned 25 February 2021)  
C. Podolsky (appointed 10 June 2020, resigned 25 February 2021)  
D.J. Roberts (resigned 10 June 2020)

The directors have considered the Group's policy on research and development and future outlook in the Strategic Report.

#### **GOING CONCERN**

The Group generated a net loss of £1,179,060 (2019 - £1,776,989 profit) during the year ended 31 December 2020. The Group's earnings before interest, depreciation, amortisation and taxation for the year was £131,281 (2019 - £2,981,075). The Group expects Bulkamid revenues to grow as the world recovers from the restrictions imposed due to Covid 19. The Group's total net assets at 31 December 2020 were £3,729,194 (2019 - £4,339,799) while its net current liabilities were £2,941,500 (2019 - net current liabilities of £1,789,391) and its cash was £987,573 (2019 - £537,935).

The Group's loan facility from its parent company, Contura Holdings Limited, is repayable on demand and amounted to £6,058,293 at 31 December 2020 (2019 - £4,566,418). Contura Holdings Limited was itself financed at 31 December 2020 in part by a long-term loan from its own shareholders.

On 25 February 2021, as part of a sale of the Company to Axonics Modulation Technologies, U.K. Limited, the Group repaid all of its external borrowings, save for its mortgage borrowings of £1,250,326 and a Covid related bank loan of £88,771.

The Company's forecasts and projections take into consideration reasonably possible changes in trading performance, recognising the inherent uncertainty associated with the quantum and timing of future sales.

Based on the foregoing these financial statements have been prepared on a going concern basis.

#### **FINANCIAL RISK MANAGEMENT**

Details regarding the Group's exposure to financial risks, including credit risk, currency risk, liquidity risk and market price risk are set out in the Strategic Report.

#### **DIVIDENDS**

Details regarding the Company's dividends are set out in the Strategic Report.

#### **DIRECTORS' INDEMNITIES**

The Group has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.



# Axonics Women's Health Limited (formerly Contura Limited)

## Directors' report (continued)

### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### AUDITOR


Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

MHA MacIntyre Hudson have expressed their willingness to continue in office as auditor and a resolution to reappoint them as auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



D.L. Dearen  
Director

Date: 14 December 2021

## **Independent auditor's report to the members of Axonics Women's Health Limited (formerly Contura Limited)**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Axonics Women's Health Limited (formerly Contura Limited) (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### **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.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 a period of at least twelve months from when the financial statements are authorised for issue.*

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **Independent auditor's report to the members of Axonics Women's Health Limited (formerly Contura 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 this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

**Independent auditor's report to the members of Axonics Women's Health Limited (formerly Contura Limited) (continued)**

**Report on other legal and regulatory requirements**

**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 the directors' report have been prepared in accordance with applicable legal requirements.

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

**Matters on which we are required to report by exception**

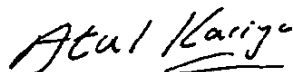
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in respect of these matters.

**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.



**Atul Kariya FCA (Senior Statutory Auditor)**  
**For and on behalf of MHA MacIntyre Hudson**  
Statutory Auditor  
London, United Kingdom

Date: 22 December 2021

## **Axonics Women's Health Limited (formerly Contura Limited)**

### **Consolidated profit and loss account Year ended 31 December 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Turnover</b>	3	12,081,765	13,722,806
Cost of sales		<u>(3,224,463)</u>	<u>(3,562,665)</u>
<b>Gross profit</b>		8,857,302	10,160,141
Other operating expenses, net	4	<u>(9,578,960)</u>	<u>(8,056,671)</u>
<b>(Loss) profit before finance expenses</b>	6	(721,658)	2,103,470
Finance (expense)/income, net	5	<u>(457,015)</u>	<u>(460,903)</u>
<b>(Loss) profit before taxation</b>		(1,178,673)	1,642,567
Tax on (loss) profit	9	<u>(387)</u>	<u>134,422</u>
<b>(Loss) profit after taxation, being (loss) profit for the financial year</b>		<u><u>(1,179,060)</u></u>	<u><u>1,776,989</u></u>

All activities derive from continuing operations.

### **Consolidated statement of comprehensive income Year ended 31 December 2020**

	<b>2020 £</b>	<b>2019 £</b>
<b>Group (loss) profit for the financial year</b>	(1,179,060)	1,776,989
Currency translation difference arising on translation of foreign currency subsidiaries	<u>568,455</u>	<u>(397,946)</u>
<b>Total comprehensive income</b>	<u><u>(610,605)</u></u>	<u><u>1,379,043</u></u>

# Axonics Women's Health Limited (formerly Contura Limited)

## Consolidated balance sheet 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Goodwill	10	1,454,484	1,596,953
Development expenditure	10	5,455,092	4,162,549
		<u>6,909,576</u>	<u>5,759,502</u>
Intangible assets	10	6,909,576	5,759,502
Tangible assets	12	2,933,522	3,081,639
		<u>9,843,098</u>	<u>8,841,141</u>
<b>Current assets</b>			
Stocks	13	2,644,979	2,559,915
Debtors			
- due within one year	14	4,729,381	3,936,178
- due after one year	14	35,467	38,630
Cash at bank and in hand		987,573	537,935
		<u>8,397,400</u>	<u>7,072,658</u>
<b>Creditors: amounts falling due within one year</b>	15	(11,338,900)	(8,862,049)
<b>Net current liabilities</b>		<u>(2,941,500)</u>	<u>(1,789,391)</u>
<b>Total assets less current liabilities</b>		6,901,598	7,051,750
<b>Creditors: amounts falling due after more than one year</b>	16	(3,172,404)	(2,711,951)
<b>Net assets</b>		<u>3,729,194</u>	<u>4,339,799</u>
<b>Capital and reserves</b>			
Called up share capital	18	198,124	198,124
Share premium account		1,002,752	22,441,805
Profit and loss account		2,528,318	(18,300,130)
<b>Shareholders' funds</b>		<u>3,729,194</u>	<u>4,339,799</u>

The financial statements of Axonics Women's Health Limited (formerly Contura Limited), registered number 3145216, were approved by the Board of Directors and authorised for issue on 14 December 2021.

Signed on behalf of the Board of Directors



D.L. Dearen  
Director

# Axonics Women's Health Limited (formerly Contura Limited)

## Company balance sheet 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	11	3,469,759	3,646,755
Tangible assets	12	28,797	27,430
		<u>3,498,556</u>	<u>3,674,185</u>
<b>Current assets</b>			
Stocks	13	525,301	810,531
Debtors			
- due within one year	14	3,888,133	2,665,372
- due after one year	14	27,020	38,630
Cash at bank and in hand		577,037	412,748
		<u>5,017,491</u>	<u>3,927,281</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(7,716,136)</u>	<u>(8,107,633)</u>
<b>Net current liabilities</b>		<u>(2,698,645)</u>	<u>(4,180,352)</u>
<b>Total assets less current liabilities, being net liabilities</b>		<u>799,911</u>	<u>(506,167)</u>
<b>Capital and reserves</b>			
Called up share capital	18	198,124	198,124
Share premium account		1,002,752	22,441,805
Profit and loss account		<u>(400,965)</u>	<u>(23,146,096)</u>
<b>Shareholders' deficit</b>		<u>799,911</u>	<u>(506,167)</u>

The profit for the financial year dealt with in the financial statements of the parent company was £1,306,078 (2019 - £1,332,339).

The financial statements of Axonics Women's Health Limited (formerly Contura Limited), registered number 3145216, were approved by the Board of Directors and authorised for issue on 14 December 2021.

Signed on behalf of the Board of Directors



D.L. Dearen  
Director

## Axonics Women's Health Limited (formerly Contura Limited)

### Consolidated statement of changes in equity Year ended 31 December 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
<b>At 1 January 2019</b>	198,124	22,441,805	(19,679,173)	2,960,756
Profit for the financial year	-	-	1,776,989	1,776,989
Currency translation difference	-	-	(397,946)	(397,946)
<b>Total comprehensive income</b>	-	-	1,379,043	1,379,043
<b>At 31 December 2019</b>	198,124	22,441,805	(18,300,130)	4,339,799
Capital reduction	-	(21,439,053)	21,439,053	-
Loss for the financial year	-	-	(1,179,060)	(1,179,060)
Currency translation difference	-	-	568,455	568,455
<b>Total comprehensive income</b>	-	-	(610,605)	(610,605)
<b>At 31 December 2020</b>	198,124	1,002,752	2,528,318	3,729,194

### Company statement of changes in equity Year ended 31 December 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
<b>At 1 January 2019</b>	198,124	22,441,805	(24,478,435)	(1,838,506)
Profit for the financial year	-	-	1,332,339	1,332,339
<b>Total comprehensive income</b>	-	-	1,332,339	1,332,339
<b>At 31 December 2019</b>	198,124	22,441,805	(23,146,096)	(506,167)
Capital reduction	-	(21,439,053)	21,439,053	-
Profit for the financial year	-	-	1,306,078	1,306,078
<b>Total comprehensive income</b>	-	-	1,306,078	1,306,078
<b>At 31 December 2020</b>	198,124	1,002,752	(400,965)	799,911



## Axonics Women's Health Limited (formerly Contura Limited)

### Consolidated cash flow statement Year ended 31 December 2020

	Note	2020 £	2019 £
<b>Net cash flows from operating activities</b>	18	<u>(700,080)</u>	<u>3,329,317</u>
<b>Cash flows from investing activities</b>			
Interest received	5	879	103,222
Purchase on intangible fixed assets – development costs		(1,260,866)	(1,081,186)
Purchase of tangible fixed assets	12	<u>(80,300)</u>	<u>(227,317)</u>
<b>Net cash flows from investing activities</b>		<u>(1,340,287)</u>	<u>(1,205,281)</u>
<b>Net cash flows from financing activities</b>			
Advances from (repayments to) to shareholders		1,491,875	(934,530)
Repayment of mortgage loans		5,985	(140,388)
Repayment of other loans		1,822,969	(143,511)
Advances (repayment) of bank loans		(282,103)	(318,171)
Interest paid	5	<u>(548,721)</u>	<u>(553,840)</u>
<b>Net cash flows from financing activities</b>		<u>2,490,005</u>	<u>(2,090,440)</u>
<b>Net increase in cash and cash equivalents</b>		449,638	33,596
<b>Cash and cash equivalents at beginning of year</b>		<u>537,935</u>	<u>504,339</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>987,573</u></u>	<u><u>537,935</u></u>

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

# **Axonics Women's Health Limited (formerly Contura Limited)**

## **Notes to the financial statements**

### **Year ended 31 December 2020**

#### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and the preceding year.

##### **General information and basis of accounting**

Contura Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the strategic report on pages 2 to 6.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Contura Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The figures in these financial statements are rounded to the nearest pound.

Contura Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments and presentation of a cash flow statement.

##### **Going concern**

The Group generated a net loss of £1,179,060 (2019 - £1,776,989 profit) during the year ended 31 December 2020. The Group's earnings before interest, depreciation, amortisation and taxation for the year was £131,281 (2019 - £2,981,075). The Group expects Bulkamid revenues to grow as the world recovers from the restrictions imposed due to Covid 19. The Group's total net assets at 31 December 2020 were £3,729,194 (2019 - £4,339,799) while its net current liabilities were £2,941,500 (2019 - net current liabilities of £1,789,391) and its cash was £987,573 (2019 - £537,935).

The Group's loan facility from its parent company, Contura Holdings Limited, is repayable on demand and amounted to £6,058,293 at 31 December 2020 (2019 - £4,566,418). Contura Holdings Limited was itself financed at 31 December 2020 in part by a long-term loan from its own shareholders.

On 25 February 2021, as part of a sale of the Company to Axonics Modulation Technologies, U.K. Limited, the Group repaid all of its external borrowings, save for its mortgage borrowings of £1,250,326 and a Covid related bank loan of £88,771.

The Company's forecasts and projections take into consideration reasonably possible changes in trading performance, recognising the inherent uncertainty associated with the quantum and timing of future sales.

Based on the foregoing these financial statements have been prepared on a going concern basis.

##### **Basis of consolidation**

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent Company. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

##### **Intangible assets - goodwill**

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is between ten and fifteen years. Provision is made for any impairment.

Negative goodwill is similarly included in the balance sheet and is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Negative

# Axonics Women's Health Limited (formerly Contura Limited)

## Notes to the financial statements

### Year ended 31 December 2020

goodwill in excess of the fair values of the non-monetary assets acquired is credited to the profit and loss account in the periods expected to benefit.

#### 1. Accounting policies (continued)

##### Intangible assets - licences, patents and trademarks

Acquired patents and trademarks are included at cost and amortised in equal annual instalments over a period of between 8 and 15 years which is their estimated useful economic life. Provision is made for any impairment.

Acquired licences are included at cost and amortised in equal annual instalments over the duration of the agreement, which is their estimated useful economic life. Provision is made for any impairment.

Development expenditure is written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the Company is expected to benefit. This period is between 5 and 8 years. Provision is made for any impairment.

##### Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

##### Tangible fixed assets

Tangible fixed assets are stated at cost or valuation net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold property	-	40 years
Leasehold improvements	-	Term of lease
Plant and machinery	-	3 - 10 years
Computer hardware	-	3 years
Computer software	-	3 years

Freehold properties are revalued to fair value every year with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account.

##### Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

##### *(i) Financial assets and financial liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

## Axonics Women's Health Limited (formerly Contura Limited)

### Notes to the financial statements

#### Year ended 31 December 2020

##### 1. Accounting policies (continued)

###### Financial instruments (continued)

###### (i) Financial assets and financial liabilities (continued)

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute a financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

###### (ii) Investments

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less provision for impairment. For investments in subsidiaries acquired for consideration, including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

###### (ii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

###### Investments

Fixed asset investments are shown at cost less provision for impairment.

# **Axonics Women's Health Limited (formerly Contura Limited)**

## **Notes to the financial statements Year ended 31 December 2020**

### **1. Accounting policies (continued)**

#### **Stocks**

Stocks are stated at the lower of cost, on a first-in first-out basis, and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based upon estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate

#### **Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit and loss as described below.

#### *Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

#### *Financial assets*

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

#### **Finance costs**

Finance costs of debt are recognised in the profit and loss account over the term of such instruments.

#### **Foreign currency translation**

Items included in the individual financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in UK Sterling, which is the Group's presentational currency.

Foreign currency transactions are reported using the exchange rates prevailing at the dates of the transactions in question. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in the consolidated statement of comprehensive income. All other exchange differences are reported in the profit and loss account.

#### **Research expenditure**

Research expenditure is written off as incurred.

# Axonics Women's Health Limited (formerly Contura Limited)

## Notes to the financial statements Year ended 31 December 2020

### 1. Accounting policies (continued)

#### Discounted receivables and liabilities

Certain assets and liabilities are discounted at the prevailing rate when the time value of money is considered material.

#### Pension costs

For defined contribution schemes, the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions paid are shown as other accruals or prepayments in the balance sheet.

#### Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of value added tax and similar taxes and trade discounts. The principal components of the Group's turnover and their respective accounting treatments are set out below:

- |                                |   |   |
|--------------------------------|---|---|
| Product sales                  | - | revenue for the sales of products is recognised upon shipment to customers or at the time of delivery depending on the terms of sale. Provisions for rebates, product returns and discounts to customers are provided for as reductions to revenue in the same period as the related sales are recorded.  |
| Licensing and development fees | - | licensing and development fees represent revenues derived from product out-licensing and distribution agreements and from contract development agreements. Initial licence fees received in connection with product out-licensing and distribution agreements, even where such fees are non-refundable and non-creditable against future royalty payments, are deferred and recognised over the period of the licence or distribution term or the period of the associated collaborative assistance if that period is reasonably estimable. Revenue from contract development agreements is recognised as the services are performed. |
| Milestones                     | - | during the term of certain licensing and distribution agreements the Group receives non-refundable milestone payments as certain technical targets are achieved. Revenue is recognised upon the achievement of such milestones.   |

#### Taxation

Current tax, including UK corporation tax and foreign tax, is provided for at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

# Axonics Women's Health Limited (formerly Contura Limited)

## Notes to the financial statements Year ended 31 December 2020

### 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### (i) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, the directors are not aware of any instances of application of judgement that has a significant effect on the amounts recognised in the financial statements.

#### (ii) Key sources of estimation uncertainty

The directors are not aware of any key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 3. Turnover

All turnover is derived from a single class of business, the sale of goods under the Company's principal activity.

Turnover by destination of customer, all of which originated from the United Kingdom, was as follows:

	2020 £	2019 £
United Kingdom	5,295,885	7,702,236
Rest of Europe	4,111,461	4,356,278
United States	1,568,269	-
Rest of World	1,106,150	1,664,292
	<u>12,081,765</u>	<u>13,722,806</u>

Turnover by origin was as follows:

	2020 £	2019 £
United Kingdom	5,352,008	7,889,715
Rest of Europe	5,161,488	5,833,091
United States	1,568,269	-
	<u>12,081,765</u>	<u>13,722,806</u>

### 4. Other operating expenses, net

	2020 £	2019 £
Administrative expenses	9,923,243	8,236,230
Job retention scheme grants	(120,201)	-
Other operating income	(224,082)	(179,559)
	<u>9,578,960</u>	<u>8,056,671</u>

# Axonics Women's Health Limited (formerly Contura Limited)

## Notes to the financial statements Year ended 31 December 2020

### 5. Finance (expense)/income, net

	2020 £	2019 £
<b>Interest receivable and similar income</b>		
Interest receivable from related company	90,827	88,303
Other interest	879	4,634
	<u>91,706</u>	<u>92,937</u>

### 5. Finance (expense)/income, net (continued)

#### Interest payable and similar expenses

	2020 £	2019 £
Interest payable on shareholder loan	(394,725)	(407,035)
Other interest payable and similar expenses	(153,996)	(146,805)
	<u>(548,721)</u>	<u>(553,840)</u>

#### Finance (expense)/income, net

Interest receivable and similar income	91,706	92,937
Less: interest payable and similar expenses	(548,721)	(553,840)
	<u>(457,015)</u>	<u>(460,903)</u>

### 6. Operating profit

Operating profit is stated after charging/(crediting):

	2020 £	2019 £
Depreciation and amounts written off tangible fixed assets		
- owned (note 12)	412,357	682,882
Amortisation of goodwill (note 10)	196,663	194,723
Amortisation of development costs	243,919	-
Loss on disposal of tangible fixed assets	375	292
Foreign exchange loss (gain)	348,406	(96,903)
Research and development costs	132,943	358,547
Cost of stock recognised as an expense	3,224,463	3,562,665
Operating lease rentals		
- land & buildings	31,608	150,735
- motor vehicles	72,740	86,550
	<u>72,740</u>	<u>86,550</u>

The analysis of auditor's remuneration is as follows:

Fees payable to the Group's auditor for the audit of the Group's annual accounts including subsidiaries

44,360	47,153
--------	--------

Fees payable to the Company's auditor for the audit of the Company's annual accounts

25,000	23,660
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Fees payable to the Company's auditor for tax services

- tax compliance services	5,504	6,309
- other advisory services	-	3,628



## Axonics Women's Health Limited (formerly Contura Limited)

### Notes to the financial statements Year ended 31 December 2020

#### 7. Staff costs

	2020 No	2019 No
The average monthly number of employees (including executive directors) was:		
Research and development	4	4
Manufacturing	10	11
Sales and marketing	19	16
Administration	10	10
	<u>43</u>	<u>41</u>
	£	£
The aggregate remuneration of employees (including executive directors) comprised:		
Wages and salaries	3,833,583	3,605,637
Social security costs	281,495	267,026
Other pension costs	241,596	215,572
	<u>4,356,674</u>	<u>4,088,235</u>

#### 8. Directors' remuneration

The remuneration of the directors was as follows:

	2020 £	2019 £
Emoluments	619,553	594,900
Company contributions to money purchase pension schemes	18,874	18,324
	<u>638,427</u>	<u>613,224</u>

The above amounts for remuneration include the following in respect of the highest paid director:

	2020 £	2019 £
Emoluments	358,764	347,840
Company contributions to money purchase pension plan	-	-
	<u>358,764</u>	<u>347,840</u>

One (2019 - one) director was a member of the Company's personal pension plan during the year.

Other than the directors noted above, there are no other key management personnel that require to be disclosed in the financial statements.

# Axonics Women's Health Limited (formerly Contura Limited)

## Notes to the financial statements Year ended 31 December 2020

### 9. Tax on profit (loss)

	2020 £	2019 £
The tax (charge) credit comprises:		
<b>Current tax</b>		
Research and development tax relief	-	136,212
Adjustment in respect of prior years		
- research and development tax relief	-	(1,611)
Foreign tax payable	(387)	(179)
Total tax (charge) credit	<u>(387)</u>	<u>134,422</u>

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK Corporation tax to the profit (loss) before tax is as follows:

	2020 £	2019 £
(Loss) profit before tax	<u>(1,178,673)</u>	<u>1,642,567</u>
Tax (charge) credit on profit (loss) at standard UK corporation tax rate of 19% (2019 – 19%)	223,948	(312,088)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	(3,566)	(5,731)
Movement on short term timing differences	(85)	(230)
Capital allowances more than depreciation	5,238	3,592
Research and development loss relief	618	27,607
Tax losses (not recognised)/utilised	(226,540)	422,883
Adjustments in respect of prior years	-	(1,611)
Total tax (charge) credit	<u>(387)</u>	<u>134,422</u>

The directors believe that there is still considerable uncertainty that the Group will make taxable profits in the foreseeable future. Accordingly, a deferred tax asset of £13,877,477 (2019 - £13,463,334) arising from the effect of tax losses and capital allowances has not been recognised. The deferred tax asset would be recognised should sufficient profits be generated in the future against which it may be recovered.

# Axonics Women's Health Limited (formerly Contura Limited)

## Notes to the financial statements Year ended 31 December 2020

### 10. Intangible fixed assets

Group	Goodwill £	Development expenditure £	Total £
<b>Cost</b>			
At 1 January 2020	2,032,426	4,162,549	6,194,975
Additions	-	1,260,866	1,260,866
Exchange adjustment	67,043	279,241	346,284
At 31 December 2020	2,099,469	5,702,656	7,802,125
<b>Amortisation</b>			
At 1 January 2020	435,473	-	435,473
Charge for the year	196,663	243,919	440,582
Exchange adjustment	12,849	3,645	16,494
At 31 December 2020	644,985	247,564	892,549
<b>Net book value</b>			
At 31 December 2020	1,454,484	5,455,092	6,909,576
At 31 December 2019	1,596,953	4,162,549	5,759,502

### 11. Fixed asset investments - Company

Subsidiary undertakings	Investments £	Loans £	Total £
<b>Cost</b>			
At 1 January 2020	3,037,829	10,735,081	13,772,910
Additions	222,954	-	222,954
Loan repayments	-	(392,875)	(392,875)
At 31 December 2020	3,260,783	10,342,206	13,602,989
<b>Provisions for impairment</b>			
At 1 January 2020	-	10,126,155	10,126,155
Impairment provision	7,075	-	7,075
At 31 December 2020	7,075	10,126,155	10,133,230
<b>Net book value</b>			
At 31 December 2020	3,253,708	216,051	3,469,759
At 31 December 2019	3,037,829	608,926	3,646,755

The Directors have considered the recoverability of long term loans to affiliates, reported within fixed asset investments, and have recorded provisions where appropriate.

## Axonics Women's Health Limited (formerly Contura Limited)

### Notes to the financial statements

Year ended 31 December 2020

#### 11. Fixed asset investments – Company (continued)

The Company has an investment in the following subsidiary undertakings.

Subsidiary undertaking	Country of incorporation	Registered office	Principal activity	Ownership of share capital
Contura Deutschland GmbH	Germany	Bahnhofstrasse 29-31, Ratingen	Pharmaceutical & Medical Devices	100%
Contura (France) SARL	France	10 rue de la Grange, Batelière 75009, Paris	Pharmaceutical & Medical Devices	100%
Speciality European Pharma (Italy) Srl	Italy	Via Dante Alighiere n. 3-03100 Frosinone	Pharmaceutical & Medical Devices	100%
Contura A/S	Denmark	Sydmarken 23, 2860 Soeborg	Holding company	100%
Contura International A/S	Denmark	Sydmarken 23, 2860 Soeborg	Medical device sales and	100% *
Contura Properties A/S	Denmark	Sydmarken 23, 2860 Soeborg	Property company	100% *
Contura Inc.	United States	18001 Cowan, Suite L, Irvine, CA	Medical devices	100%

\* Indirectly held

#### 12. Tangible fixed assets

Group	Freehold property £	Leasehold improvements £	Plant & machinery £	Computer hardware £	Computer software £	Total £
<b>Cost or valuation</b>						
At 1 January 2020	2,480,147	85,793	6,844,070	84,100	260,801	9,754,911
Additions	-	-	40,897	36,153	3,250	80,300
Disposals	-	-	(7,966)	(7,106)	-	(15,072)
Exchange adjustment	155,154	1,975	425,360	919	15,773	599,181
At 31 December 2019	2,635,301	87,768	7,302,361	114,066	279,824	10,419,320
<b>Depreciation</b>						
At 1 January 2020	-	42,745	6,299,142	70,584	260,801	6,673,272
Charge for the year	-	9,714	385,125	16,164	1,354	412,357
Disposals	-	-	(7,594)	(7,103)	-	(14,697)
Exchange adjustment	-	101	397,597	1,395	15,773	414,866
At 31 December 2020	-	52,560	7,074,270	81,040	277,928	7,485,798
<b>Net book value</b>						
At 31 December 2020	2,635,301	35,208	228,091	33,026	1,896	2,933,522
At 31 December 2019	2,480,147	43,048	544,928	13,516	-	3,081,639

# Axonics Women's Health Limited (formerly Contura Limited)

## Notes to the financial statements Year ended 31 December 2020

### 12. Tangible fixed assets (continued)

Company	Leasehold improvements £	Furniture and equipment £	Computer hardware £	Computer software £	Total £
<b>Cost</b>					
At 1 January 2020	54,215	34,671	50,678	8,639	148,203
Additions	-	2,280	10,755	3,250	16,285
At 31 December 2020	54,215	36,951	61,433	11,889	164,488
<b>Depreciation</b>					
At 1 January 2020	42,745	26,460	42,929	8,639	120,773
Charge for the year	2,964	4,206	6,394	1,354	14,918
At 31 December 2020	45,709	30,666	49,323	9,993	135,691
<b>Net book value</b>					
At 31 December 2020	8,506	6,285	12,110	1,896	28,797
At 31 December 2019	11,470	8,211	7,749	-	27,430

### 13. Stocks

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Raw materials and consumables	400,533	526,153	-	-
Work in progress	1,121,406	764,792	-	-
Finished goods and goods for resale	1,123,040	1,268,970	525,301	810,531
	2,644,979	2,559,915	525,301	810,531

### 14. Debtors

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	2,318,115	1,561,004	565,514	721,976
Amounts owed by Group undertakings	-	-	1,231,383	-
Amounts owed by related companies (see note 22)	1,143,367	1,002,803	1,143,367	1,002,803
Research and development tax credit receivable	90,962	221,756	-	-
VAT	170,498	137,582	-	-
Other debtors	360,060	24,994	342,279	192,552
Prepayments and accrued income	646,379	988,039	605,590	748,041
	4,729,381	3,936,178	3,888,133	2,665,372

# Axonics Women's Health Limited (formerly Contura Limited)

## Notes to the financial statements

Year ended 31 December 2020

### 14. Debtors (continued)

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due after more than one year:				
Other debtors	35,467	38,630	27,020	38,630

Amounts owed by related companies relate to a loan made by the Company to Contura Animal Holdings Limited in connection with its acquisition of Contura Vet Limited, another related company (see note 22). These amounts are repayable on demand and carry interest at a rate of 9% above base rate. Prepayments and accrued income include £97,149 (2019 - £6,322) of accrued interest on the loan.

### 15. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts	1,034,752	1,316,855	-	-
Mortgage loan	72,531	68,261	-	-
Shareholder loan	6,058,293	4,566,418	6,058,293	4,566,418
Amounts owed to subsidiary undertakings	-	-	442,521	1,781,841
Other loans	1,432,492	68,261	-	-
Trade creditors	609,745	1,328,924	119,427	846,805
VAT payable	624,945	325,813	597,569	322,875
Other taxation and social security	69,111	117,554	69,111	117,554
Other creditors	131,704	74,537	4,086	2,120
Accruals and deferred income	1,296,257	986,801	416,059	461,395
Defined contribution pension scheme accrual	9,070	8,625	9,070	8,625
	11,338,900	8,862,049	7,716,136	8,107,633

The shareholder loan is repayable on demand and carries an interest rate of 7.5% per annum. The shareholder loan is unsecured, but the Company has provided security to a related company in connection with a loan to its parent company (see note 23), which loan was used to provide the shareholder loan to the Company.

Amounts owed to subsidiary undertakings are unsecured and repayable on demand. Such amounts are variously interest free or interest bearing.

### 16. Creditors: amounts falling due after more than one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Mortgage loan	1,177,795	1,176,080	-	-
Other loans	1,994,609	1,535,871	-	-
	3,172,404	2,711,951	-	-

# Axonics Women's Health Limited (formerly Contura Limited)

## Notes to the financial statements Year ended 31 December 2020

### 16. Creditors: amounts falling due after more than one year (continued)

Borrowings are repayable as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
<b>Bank loan</b>				
On demand or within one year	1,034,752	1,316,855	-	-
<b>Mortgage loan</b>				
Between one and two years	72,531	68,261	-	-
Between two and five years	217,594	204,783	-	-
After five years	887,670	903,036	-	-
	1,177,795	1,176,080	-	-
On demand or within one year	72,531	68,261	-	-
	1,250,326	1,244,341	-	-
<b>Other loans</b>				
Between one and two years	525,851	68,261	-	-
Between two and five years	622,560	204,783	-	-
After five years	846,198	1,262,827	-	-
	1,994,609	1,535,871	-	-
On demand or within one year	1,432,492	68,261	-	-
	3,427,101	1,604,132	-	-
<b>Shareholder loan</b>				
On demand or within one year	6,058,293	4,566,418	6,058,293	4,566,418
<b>Total borrowings</b>				
Between one and two years	598,382	136,522	-	-
Between two and five years	840,154	409,566	-	-
After five years	1,733,868	2,165,863	-	-
	3,172,404	2,711,951	-	-
On demand or within one year	8,598,068	6,019,795	6,058,293	4,566,418
	11,770,472	8,731,746	6,058,293	4,566,418

At 31 December 2020 the Group had drawn £1,034,752 (2019 - £1,316,855) under a bank facility of £1,813,280 (2019 - £1,820,292). The facility attracts an interest rate of 2.75% above Danske BOR and is secured by a floating charge over certain of the Group's assets. Under the terms of the facility restrictions apply to the payment of dividends by certain subsidiary undertakings until the bank facility is repaid.

Interest on the Group's mortgage loan is calculated as a fixed margin above Cibor6, a Danish interest rate and is payable quarterly. The mortgage loan is secured over freehold property of the Group and is repayable over a 20 year period.

## Axonics Women's Health Limited (formerly Contura Limited)

### Notes to the financial statements

#### Year ended 31 December 2020

##### 17. Financial instruments

The carrying values of the Company's financial assets and liabilities are summarised by category below:

	2020 £	2019 £
<b>Financial assets</b>		
Measured at undiscounted amount receivable		
• Trade and other debtors (see note 14)	4,764,848	3,974,808
<b>Financial liabilities</b>		
Measured at amortised cost		
• Loans repayable (see notes 15 & 16)	(11,770,472)	(8,731,746)
Measured at undiscounted amount payable		
• Trade and other accounts payable (see note 15)	(2,740,832)	(2,842,254)
	<u>(14,511,304)</u>	<u>(11,574,000)</u>

The Company's income, expense, gains and losses in respect of financial instruments are summarised below:

	2020 £	2019 £
<b>Interest income and expense</b>		
Total interest income for financial assets at amortised cost (see note 5)	91,706	92,937
Total interest expense for financial liabilities at amortised cost (see note 5)	<u>(548,721)</u>	<u>(553,840)</u>

##### 18. Called up share capital and reserves

	2020 £	2019 £
<b>Called up, allotted and fully paid</b>		
2,800,000 ordinary shares of £0.00333 each	9,333	9,333
14,206,178 preferred 'A' shares of £0.01 each	142,062	142,062
4,672,896 preferred 'B' shares of £0.01 each	46,729	46,729
	<u>198,124</u>	<u>198,124</u>

##### Rights of shares

###### a. Dividend rights

The preferred 'B' shares are entitled to receive a fixed cumulative preferential dividend at the rate of 8% per annum out of profits available for distribution. The preferred 'B' share dividend shall accrue from the date of their issue and shall be paid in priority to the payment of dividend or other distribution to any other class of capital upon being declared payable by the Company. These distributions are avoidable by the Company other than on liquidation.

The preferred 'A' shares are entitled to receive a fixed cumulative preferential dividend at the rate of 8% per annum out of profits available for distribution. The preferred 'A' share dividend shall accrue from 1 January 2007 and shall only be paid after the payment of any dividend or arrears of dividend on the Company's preferred 'B' shares, subject to their being declared payable by the Company. These distributions are avoidable by the Company other than on liquidation.



# Axonics Women's Health Limited (formerly Contura Limited)

## Notes to the financial statements Year ended 31 December 2020

### 18. Called up share capital and reserves (continued)

#### Rights of shares (continued)

##### b. Capital rights

On a return of assets of the Company on liquidation, dissolution, winding-up, reduction of capital or otherwise, the assets of the Company available for distribution amongst the members shall be applied in the following preferred order:

- i. first, in paying to the holders of preferred 'B' shares an amount equal to their subscription price plus all accrued unpaid dividends;
- ii. second, in paying to the holders of preferred 'A' shares an amount equal to their subscription price plus all accrued unpaid dividends;
- iii. third, in paying any balance to the holders of preferred 'B' shares, preferred 'A' shares and ordinary shares *pari passu* to their holdings.

##### c. Conversion rights

The preferred 'B' shares and the preferred 'A' shares shall be automatically converted into a like amount of ordinary shares, adjusted as appropriate for arrears of any dividends due immediately before the completion of a listing of the ordinary shares of the Company at a prescribed minimum valuation of the Company, subject to minimum required aggregate proceeds from such listing being achieved.

Any holder of preferred 'B' shares or preferred 'A' shares may, at any time, give notice to the Company and require their shares to be converted into and redesignated as ordinary shares at a rate of 1:1.

##### d. Voting rights

The preferred 'B' shares, preferred 'A' shares and ordinary shares carry equal voting rights.

#### Other reserves

The Company's other reserves are as follows:

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

The profit and loss reserve represents cumulative profits or losses, net of dividends paid.

### 19. Reconciliation of operating profit (loss) to net cash flows from operating activities

	2020 £	2019 £
Operating (loss) profit	(721,658)	2,103,470
Adjustment for:		
Depreciation and amortization (note 12)	852,939	877,605
Other amounts written off fixed asset investments	54,725	40,769
Operating cash flow before movement in working capital	186,006	3,021,844
Increase in stocks	(85,064)	(242,286)
(Increase) decrease in debtors	(830,007)	659,825
Decrease in creditors	(101,422)	(261,777)
Research & development tax recovered	130,407	151,711
<b>Net cash flows from operating activities</b>	<b>(700,080)</b>	<b>3,329,317</b>

## Axonics Women's Health Limited (formerly Contura Limited)

### Notes to the financial statements Year ended 31 December 2020

#### 20. Analysis of changes in net debt

	2020 £	2019 £
<b>Cash &amp; equivalents</b>		
Cash at 1 January	537,935	504,339
Cash inflows	449,638	33,596
Cash at 31 December	<u>987,573</u>	<u>537,935</u>
<b>Borrowings due within 1 year</b>		
At 1 January	(6,019,795)	(7,336,989)
Cash (inflows) outflows	(2,578,273)	1,317,194
At 31 December	<u>(8,598,068)</u>	<u>(6,019,795)</u>
<b>Borrowings due after 1 year</b>		
At 1 January	(2,711,951)	(3,002,823)
Cash (inflows) outflows	(460,453)	290,872
At 31 December	<u>(3,172,404)</u>	<u>(2,711,951)</u>
<b>Total borrowings at 31 December</b>	<u>(11,770,472)</u>	<u>(8,731,746)</u>
<b>Net debt at 31 December</b>	<u>(10,782,899)</u>	<u>(8,193,811)</u>

#### 21. Pension obligations

The Company operates a group personal pension plan for the benefit of eligible employees. This is a non-contributory scheme where assets are held separately from those of the Company in independently managed funds.

The total pension cost for the Company during the year was £85,486 (2019: £84,305) of which £85,041 (2019: £83,096) was paid during the year resulting in a year end accrual of £9,070 (2019 accrual: £8,625).

#### 22. Financial commitments

##### Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings			
	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Expiry date:				
- less than one year	130,628	98,267	84,134	84,134
- between one and five years	172,634	217,346	133,212	217,346
	<u>303,262</u>	<u>315,613</u>	<u>217,346</u>	<u>301,480</u>

# Axonics Women's Health Limited (formerly Contura Limited)

## Notes to the financial statements Year ended 31 December 2020

### 22. Financial commitments (continued)

#### Operating lease commitments (continued)

	Group		Motor vehicles	
	2020	2019	2020	2019
	£	£	£	£
Expiry date:				
- less than one year	75,038	54,447	-	-
- between one and five years	69,998	86,946	-	-
	<u>145,036</u>	<u>141,393</u>	<u>-</u>	<u>-</u>

### 23. Related party transactions

#### Guarantees

The Company has entered into a debenture and guarantee agreement with Juno Pharmaceuticals Luxembourg S.A.R.L. ("Juno") pursuant to which its assets have been provided by way of security for a loan from Juno to the Company's parent company, Contura Holdings Limited. The Company has further provided a guarantee in connection with the repayment of such loan. Juno is a shareholder of Contura Holdings Limited and as such, an indirect shareholder of the Company. The loan from Juno to Contura Holdings Limited was provided on an arm's length basis and was used in part to provide a loan to the Company for working capital purposes (see note 15). The amount outstanding under the loan from Juno to the Company's parent company at 31 December 2020 was £5,806,171 (2019 - £5,650,550).

#### Loan to related company

The Company has entered into a facility agreement (the "Facility") with Contura Animal Health Holdings Limited, pursuant to which it agreed to lend Contura Animal Health Holdings Limited up to £1.2M for the purchase of Contura Vet Limited and the financing of necessary working capital. Contura Animal Health Holdings Limited is a UK registered company with the same ultimate shareholders as the Company. Contura Vet Limited is a wholly owned subsidiary of Contura Animal Health Holdings Limited and is registered in Ireland.

The Facility is repayable on demand and attracts an interest rate of 9% over Bank of England Base Rate. Advances under the Facility are secured over the shares of Contura Vet Limited. The amount drawn under the facility at 31 December 2020 was £1,143,367 (2019 - £1,002,803) (see note 14). There was, in addition, an amount of £97,149 due in respect of accrued interest receivable at 31 December 2020 (2019 - £6,322) and included within prepayments and accrued income (see note 14).

### 24. Controlling party

At 31 December 2020 the Company was a wholly owned subsidiary undertaking of Contura Holdings Limited, a company registered in England & Wales and its registered office was 14 Took's Court, London, EC4A 1LB. Its ultimate controlling party, through direct and indirect shareholdings was Ian Jacobson, a director of the Company at that time. The accounts of the Company are not consolidated in those of any other group.

On 25 February 2021, the Company was acquired by Axonics Modulation Technologies, U.K. Limited, whereupon its ultimate parent undertaking became Axonics Modulation Technologies, Inc. On 1 March 2021 the Company's registered office was changed to 5th Floor, One New Change, London, EC4M 9AF.

## **Axonics Women's Health Limited (formerly Contura Limited)**

### **Notes to the financial statements**

#### **Year ended 31 December 2020**

##### **25. Subsequent events**

*On 3 February 2021, the Company entered into a deed of transfer with Contura Orthopaedics Limited, a fellow subsidiary undertaking of Contura Holdings Limited, the Company's parent company at that time. Under the deed of transfer, the Company transferred the whole of its shareholding in Speciality European Pharma Italy S.r.l to Contura Orthopaedics Limited.*

*On 4 February 2021, the Company entered into an agreement for the sale of the entire issued share capital of Contura A/S, its wholly owned subsidiary. Under the terms of that agreement, Contura A/S was sold to Contura International Limited, a fellow subsidiary undertaking of Contura Holdings Limited, the Company's parent undertaking at that time.*

*On 25 February 2021, the Company was acquired by Axonics Modulation Technologies, U.K. Limited, whereupon its ultimate parent undertaking became Axonics Modulation Technologies, Inc.*