

Viminco A/S

Lodshusvej 11
4230 Skælskør
CVR No. 12245742

Annual report 2023

The Annual General Meeting adopted the annual report on 05.06.2024

Matias Nørtoft Popp

Chairman of the General Meeting

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Entity details

Entity

Viminco A/S
Lodshusvej 11
4230 Skælskør

Business Registration No.: 12245742
Registered office: Slagelse
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Hans Bøgh-Sørensen, Chairman
Jacob Lucassen
Erik Sandberg

Executive Board

Erik Sandberg

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Viminco A/S for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Skælskør, 05.06.2024

Executive Board

Erik Sandberg

Board of Directors

Hans Bøgh-Sørensen
Chairman

Jacob Lucassen

Erik Sandberg

Independent auditor's report

To the shareholder of Viminco A/S

Opinion

We have audited the financial statements of Viminco A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

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

Copenhagen, 05.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Serup

State Authorised Public Accountant
Identification No (MNE) mne45825

Victor Fortmann Storm

State Authorised Public Accountant
Identification No (MNE) mne50626

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	17,305	19,655	40,961	40,550	31,384
Operating profit/loss	(77,468)	(116,513)	(38,041)	(20,778)	(25,247)
Net financials	(4,777)	(3,448)	(1,941)	(1,045)	(991)
Profit/loss for the year	(61,863)	(93,748)	(31,247)	(17,026)	(20,471)
Total assets	66,890	123,502	97,992	96,338	88,946
Investments in property, plant and equipment	0	4,050	9,457	6,979	15,959
Equity	(55,779)	6,084	24,892	11,139	8,165
Ratios					
Equity ratio (%)	(83.39)	4.93	25.40	11.56	9.18

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

Viminco A/S is part of Orifarm Group, which is a dynamic international player in the healthcare business.

Viminco A/S is a contract developer as well as manufacturer of niche and specialty pharmaceuticals. The activities was discontinued by the end of 2023 with complete full site exit in 2024.

Development in activities and finances

In 2023, it was found that there was a material error in a provision for restructuring in 2022, as the provision did not include all salary related obligations.

The material misstatement has affected the income statement of 2023 with an increase of staff costs by kDKK 16,385 and a decrease in tax expense of kDKK 3,605. Equity is decreased by kDKK 12,780 as of 31 December 2022. Total assets is increased by kDKK 3,605 at 31 December 2022.

Profit/loss for the year in relation to expected developments

The annual result for 2023 shows a loss of kDKK 61,863 which is an improvement compared to expectations as set out in the financial statements for 2022 due to the costs of discontinuing the activities has been lower than anticipated.

Unusual circumstances affecting recognition and measurement

As mentioned above, Management of Orifarm Group decided to discontinue the activities in Viminco A/S with complete full site exit in 2024. The goods produced by Viminco A/S has been transferred to the Orifarm site in Hobro and Poland.

Outlook

For 2024, Viminco A/S expects expects close to zero in revenue, while the result is expected to show a loss in the range DKK 5-10m due to the discontinuance and full site exit mentioned above.

Events after the balance sheet date

According to plan the production have been fully transferred to the Orifarm site in Hobro and Poland in 2024.

After the reporting date the owners have reestablished the share capital with a capital increase of tDKK 65,000.

From the reporting date until today, no events have occurred which could change the assessments made in the Annual Report.

Income statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Gross profit/loss		17,305	19,655
Staff costs	2	(80,020)	(129,693)
Depreciation, amortisation and impairment losses	3	(7,589)	(6,475)
Other operating expenses		(7,164)	0
Operating profit/loss		(77,468)	(116,513)
Other financial income	4	46	0
Other financial expenses	5	(4,823)	(3,448)
Profit/loss before tax		(82,245)	(119,961)
Tax on profit/loss for the year	6	20,382	26,213
Profit/loss for the year	7	(61,863)	(93,748)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Land and buildings		8,420	14,599
Plant and machinery		842	9,609
Other fixtures and fittings, tools and equipment		171	839
Prepayments for property, plant and equipment		0	7,919
Property, plant and equipment	8	9,433	32,966
Fixed assets		9,433	32,966
Raw materials and consumables		0	22,047
Work in progress		2,508	7,728
Manufactured goods and goods for resale		0	2,135
Inventories		2,508	31,910
Trade receivables		558	1,477
Receivables from group enterprises		30,548	27,741
Deferred tax	9	4,309	1,109
Other receivables		3	3,557
Joint taxation contribution receivable		19,355	24,178
Prepayments	10	176	534
Receivables		54,949	58,596
Cash		0	30
Current assets		57,457	90,536
Assets		66,890	123,502

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital	11	1,100	1,100
Retained earnings		(56,879)	4,984
Equity		(55,779)	6,084
Mortgage debt		804	1,122
Non-current liabilities other than provisions	12	804	1,122
Current portion of non-current liabilities other than provisions	12	335	346
Bank loans		13	11
Trade payables		1,188	5,468
Payables to group enterprises		64,243	58,205
Other payables		56,086	52,266
Current liabilities other than provisions		121,865	116,296
Liabilities other than provisions		122,669	117,418
Equity and liabilities		66,890	123,502
Going concern	1		
Contingent liabilities	13		
Assets charged and collateral	14		
Group relations	15		

Statement of changes in equity for 2023

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1,100	17,046	18,146
Corrections of material errors	0	(12,062)	(12,062)
Adjusted equity, beginning of year	1,100	4,984	6,084
Profit/loss for the year	0	(61,863)	(61,863)
Equity end of year	1,100	(56,879)	(55,779)

Notes

1 Going concern

In 2022, Management of Orifarm Group decided to discontinue the activities of Viminco with complete full site exit in 2024. According to plan, the production have been fully transferred to the Orifarm site in Hobro in the first quarter of 2024.

Management expects to perform a solvent liquidation of the company once the company have fulfilled all of its liabilities.

The majority Shareholder Orifarm Generics Holding A/S has submitted a declaration of support to the Company, which ensures sufficient liquidity for the Company to meet its liabilities as they fall due, while in the process of discontinuing the activities.

2 Staff costs

	2023	2022
	DKK'000	DKK'000
Wages and salaries	65,698	116,822
Pension costs	11,798	10,415
Other social security costs	1,616	1,532
Other staff costs	908	924
	80,020	129,693
Average number of full-time employees	88	110

The Board of Directors does not receive remuneration. Pursuant to Section 98b(iii) of the Danish Financial Statements Act, remuneration to the members of the Executive Board is not disclosed.

3 Depreciation, amortisation and impairment losses

	2023	2022
	DKK'000	DKK'000
Depreciation of property, plant and equipment	2,967	2,212
Impairment losses on property, plant and equipment	4,622	4,263
	7,589	6,475

Profit/loss from sale of intangible assets and property, plant and equipment has been reclassified to other financial income/expenses. This applies to the comparative numbers as well.

4 Other financial income

	2023	2022
	DKK'000	DKK'000
Financial income from group enterprises	16	0
Other interest income	30	0
	46	0

5 Other financial expenses

	2023	2022
	DKK'000	DKK'000
Financial expenses from group enterprises	4,323	3,272
Exchange rate adjustments	123	114
Other financial expenses	377	62
	4,823	3,448

6 Tax on profit/loss for the year

	2023	2022
	DKK'000	DKK'000
Change in deferred tax	(3,200)	(2,070)
Adjustment concerning previous years	(1,432)	34
Refund in joint taxation arrangement	(15,750)	(24,177)
	(20,382)	(26,213)

7 Proposed distribution of profit and loss

	2023	2022
	DKK'000	DKK'000
Retained earnings	(61,863)	(93,748)
	(61,863)	(93,748)

8 Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Prepayments for property, plant and equipment DKK'000
Cost beginning of year	37,670	43,604	12,629	12,971
Transfers	(1,334)	10,030	9	(8,705)
Disposals	(191)	(23,909)	(553)	(611)
Cost end of year	36,145	29,725	12,085	3,655
Depreciation and impairment losses beginning of year	(23,071)	(33,995)	(11,790)	(5,052)
Transfers	86	(1,832)	(1)	1,748
Impairment losses for the year	(3,661)	(150)	(85)	(726)
Reversal of impairment losses	0	4,193	79	375
Depreciation for the year	(1,158)	(1,329)	(480)	0
Reversal regarding disposals	79	4,230	363	0
Depreciation and impairment losses end of year	(27,725)	(28,883)	(11,914)	(3,655)
Carrying amount end of year	8,420	842	171	0

9 Deferred tax

	2023 DKK'000	2022 DKK'000
Changes during the year		
Beginning of year	1,109	(961)
Recognised in the income statement	3,200	2,070
End of year	4,309	1,109

Deferred tax assets

Deferred tax is tax losses recognised due its expected use within the Group.

10 Prepayments

Comprises of amounts received from customers prior to delivery of the goods agreed.

11 Share capital

	Number	Par value DKK'000	Nominal value DKK'000
Shares	1,100,000	0,001	1,100
	1,100,000		1,100

12 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK'000	Due within 12 months 2022 DKK'000	Due after more than 12 months 2023 DKK'000	Outstanding after 5 years 2023 DKK'000
Mortgage debt	335	346	804	86
	335	346	804	86

13 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where HBS Capital ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

14 Assets charged and collateral

The Entity has provided guarantees under which the guarantors assume joint and several liability for Group enterprises' net debt with bank and credit institutions. The Group's total net debt in relation to this guarantee amounts to 3,714 mDKK at 31.12.2023.

Mortgage debt are secured by way of mortgage on properties. The carrying amount of mortgaged properties is 8,420 kDKK at 31.12.2023.

15 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
HBS Capital ApS, Odense, Central Business Registration Number 41 00 08 80.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Orifarm Group A/S, Odense, Central Business Registration Number 27 34 72 82.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to the financial statements are consistent with those applied last year.

Recognition and measurement of assets and liabilities reflect that the Company is preparing the financial statement without the going concern assumption as the intention is to shut down the activities of the Company, thus assets and liabilities are measured at net realisable value.

Material errors in previous years

In 2023 it was found, that there was a material error in a provision for restructuring in 2022, as the provision did not include all salary related obligations.

The material misstatement has affected the income statement of 2023 with an increase of staff costs by kDKK 16,375 and a decrease in tax expense of kDKK 3,605. Equity is decreased by kDKK 12,770 as of 31 December 2022. Total assets is increased by kDKK 3,605 at 31 December 2022.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and other external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the ultimate Parent Company and all of the ultimate Parent company's Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

The jointly taxed companies are subject to the rules of section 11B of the Danish Companies Act governing interest deduction limitation. It has been agreed in the joint taxation that reduced interest deduction is recognized in the company in which the interest deduction has been reduced.

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

	Useful life
Buildings	10-25 years
Plant and machinery	5-20 years
Other fixtures and fittings, tools and equipment	3-10 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

Referring to section 86 (4) of the Danish Financial Statements Act, Viminco A/S has not prepared any cash flow statement. Viminco A/S is included in the consolidated cash flow statement in Orifarm Group A/S.