



## Viminco A/S

Lodshusvej 11  
4230 Skælskør  
CVR No. 12245742

## Annual report 2020

The Annual General Meeting adopted the  
annual report on 11.06.2021

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**Kim Jensen**

Chairman of the General Meeting

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# Entity details

## Entity

Viminco A/S

Lodshusvej 11

4230 Skælskør

CVR No.: 12245742

Registered office: Slagelse

Financial year: 01.01.2020 - 31.12.2020

## Board of Directors

Hans Carl Bøgh-Sørensen, Chairman

Jacob Lucassen

Erik Sandberg

## Executive Board

Allan Dinesen, Chief Executive Officer

## 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 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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, 11.06.2021

## Executive Board

### Allan Dinesen

Chief Executive Officer

## Board of Directors

### Hans Carl 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 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance 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 under the Danish Financial Statements Act.

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, 11.06.2021

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Nikolaj Thomsen**

State Authorised Public Accountant  
Identification No (MNE) mne33276

**Jens Serup**

State Authorised Public Accountant  
Identification No (MNE) mne45825

# Management commentary

## Financial highlights

	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000
<b>Key figures</b>					
Gross profit/loss	40,550	31,384	38,193	48,867	50,729
Operating profit/loss	(20,778)	(25,247)	(12,460)	3,775	4,192
Net financials	(1,045)	(991)	(797)	(217)	(393)
Profit/loss for the year	(17,026)	(20,471)	(10,329)	2,777	2,967
Total assets	96,338	88,946	75,308	60,129	46,410
Investments in property, plant and equipment	6,979	15,959	18,395	9,361	5,277
Equity	11,139	8,165	8,632	18,961	21,184
<b>Ratios</b>					
Return on equity (%)	(176.40)	(243.75)	(74.87)	13.83	28.35
Equity ratio (%)	11.56	9.18	11.46	31.53	45.65

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

### Return on equity (%):

Profit/loss for the year \* 100

Average equity

### Equity ratio (%):

Equity \* 100

Total assets



### Primary activities

Viminco is a contract developer as well as manufacturer of niche and specialty pharmaceuticals.

Viminco A/S is part of the Orifarm Group which is an ambitious operator in the European market for pharmaceuticals. Our ambition is to supply high quality pharmaceuticals at a lower price. In other words: We offer consumers and societies more healthcare for their money.

### Development in activities and finances

The annual result for 2020 shows a loss of k.DKK 17,026 which is considered unsatisfactory and below expectations as set out in the financial statements for 2019.

Viminco A/S and its Parent has continued investments in new products and production capacity in order to obtain long term growth and improved earnings.

During 2020 the Parent company Orifarm Generics Holding A/S made a capital contribution of k.DKK 20,000 to secure the capital resources of Viminco A/S.

### Outlook

For 2021 Viminco A/S expects a revenue growth and an improved result compared to 2020 but still a loss. No consequences from COVID-19 have been incorporated into these expectations.

The continuing outbreak of COVID-19 at the beginning of 2021 is not expected to have an material impact on the Entity's financial position, as Orifarm's supply chain is intact and pharmaceuticals are highly demanded and essential also during the COVID-19 outbreak.

Reference is made to note 1 of the annual report for events after the balance sheet date.

### Environmental performance

Electricity and gas are the main sources of energy supply for the company's production process, where continuous improvements and streamlining measurements are implemented partly for the sake of the external environment and partly for economic and maintenance reasons.

The company's waste treatment including the collection of hazardous waste from production is based on environmental awareness, waste sorting for waste recycling, and in accordance with current legislation regarding the destruction of categorized hazardous waste.

Further environmental measurements were taken during the year in connection with the investments made, including improving energy utilization in the production.

Orifarm Group joined the UN Global Compact in 2018, and we are consequently incorporating the Ten Principles into our strategies, policies and procedures.

Our progress report is reported for the group as a whole and is available at [www.orifarm.com/media/1835/orifarm\\_cop-rapport-2020.pdf](http://www.orifarm.com/media/1835/orifarm_cop-rapport-2020.pdf)

# Income statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
<b>Gross profit/loss</b>		<b>40,550</b>	<b>31,384</b>
Staff costs	2	(55,303)	(51,746)
Depreciation, amortisation and impairment losses	3	(6,025)	(4,885)
<b>Operating profit/loss</b>		<b>(20,778)</b>	<b>(25,247)</b>
Other financial income		32	61
Other financial expenses	4	(1,077)	(1,052)
<b>Profit/loss before tax</b>		<b>(21,823)</b>	<b>(26,238)</b>
Tax on profit/loss for the year	5	4,797	5,767
<b>Profit/loss for the year</b>	6	<b>(17,026)</b>	<b>(20,471)</b>

# Balance sheet at 31.12.2020

## Assets

	Notes	2020 DKK'000	2019 DKK'000
Land and buildings		19,132	18,905
Plant and machinery		25,987	23,206
Other fixtures and fittings, tools and equipment		3,475	3,175
Prepayments for property, plant and equipment		2,336	4,510
<b>Property, plant and equipment</b>	7	<b>50,930</b>	<b>49,796</b>
<b>Fixed assets</b>		<b>50,930</b>	<b>49,796</b>
Raw materials and consumables		27,112	17,258
Work in progress		3,970	4,117
Manufactured goods and goods for resale		23	511
Prepayments for goods		1,409	1,815
<b>Inventories</b>		<b>32,514</b>	<b>23,701</b>
Trade receivables		6,440	8,269
Receivables from group enterprises		284	149
Other receivables		355	0
Joint taxation contribution receivable		5,283	6,565
Prepayments	8	532	466
<b>Receivables</b>		<b>12,894</b>	<b>15,449</b>
<b>Current assets</b>		<b>45,408</b>	<b>39,150</b>
<b>Assets</b>		<b>96,338</b>	<b>88,946</b>

**Equity and liabilities**

	Notes	2020 DKK'000	2019 DKK'000
Contributed capital	9	1,100	1,100
Retained earnings		10,039	7,065
<b>Equity</b>		<b>11,139</b>	<b>8,165</b>
Deferred tax	10	2,426	1,943
<b>Provisions</b>		<b>2,426</b>	<b>1,943</b>
Mortgage debt		1,813	2,162
Other payables		4,848	1,690
<b>Non-current liabilities other than provisions</b>	11	<b>6,661</b>	<b>3,852</b>
Current portion of non-current liabilities other than provisions	11	447	382
Bank loans		7	28
Trade payables		2,904	5,446
Payables to group enterprises		61,483	60,750
Other payables		11,271	8,380
<b>Current liabilities other than provisions</b>		<b>76,112</b>	<b>74,986</b>
<b>Liabilities other than provisions</b>		<b>82,773</b>	<b>78,838</b>
<b>Equity and liabilities</b>		<b>96,338</b>	<b>88,946</b>
Events after the balance sheet date	1		
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# Statement of changes in equity for 2020

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1,100	7,065	8,165
Group contributions etc	0	20,000	20,000
Profit/loss for the year	0	(17,026)	(17,026)
<b>Equity end of year</b>	<b>1,100</b>	<b>10,039</b>	<b>11,139</b>

# Notes

## 1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

The continuing outbreak of COVID-19 at the beginning of 2021 is not expected to have an material impact on the Entity's financial position, as Orifarm's supply chain is intact and pharmaceuticals are highly demanded and essential also during the COVID-19 outbreak.

## 2 Staff costs

	2020 DKK'000	2019 DKK'000
Wages and salaries	49,695	46,905
Pension costs	4,111	3,285
Other social security costs	980	921
Other staff costs	517	635
	<b>55,303</b>	<b>51,746</b>
Average number of full-time employees	104	105

The Board of Directors does not receive remuneration. Referring to section 98 b, subsection 3, 2 of the Danish Financial Statements Act, remuneration to the Executive Board is not disclosed.

## 3 Depreciation, amortisation and impairment losses

	2020 DKK'000	2019 DKK'000
Depreciation of property, plant and equipment	5,861	4,885
Profit/loss from sale of intangible assets and property, plant and equipment	164	0
	<b>6,025</b>	<b>4,885</b>

## 4 Other financial expenses

	2020 DKK'000	2019 DKK'000
Financial expenses from group enterprises	1,029	896
Exchange rate adjustments	0	100
Other financial expenses	48	56
	<b>1,077</b>	<b>1,052</b>

## 5 Tax on profit/loss for the year

	2020 DKK'000	2019 DKK'000
Change in deferred tax	485	798
Adjustment concerning previous years	1	0
Refund in joint taxation arrangement	(5,283)	(6,565)
	<b>(4,797)</b>	<b>(5,767)</b>

## 6 Proposed distribution of profit and loss

	2020 DKK'000	2019 DKK'000
Retained earnings	(17,026)	(20,471)
	<b>(17,026)</b>	<b>(20,471)</b>

## 7 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	37,487	47,055	11,263	4,510
Transfers	410	2,536	1,092	(4,037)
Additions	1,632	3,305	358	1,863
Disposals	(63)	(3,076)	(365)	0
<b>Cost end of year</b>	<b>39,466</b>	<b>49,820</b>	<b>12,348</b>	<b>2,336</b>
Depreciation and impairment losses beginning of year	(18,582)	(23,849)	(8,088)	0
Depreciation for the year	(1,815)	(2,896)	(1,150)	0
Reversal regarding disposals	63	2,912	365	0
<b>Depreciation and impairment losses end of year</b>	<b>(20,334)</b>	<b>(23,833)</b>	<b>(8,873)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>19,132</b>	<b>25,987</b>	<b>3,475</b>	<b>2,336</b>

## 8 Prepayments

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

## 9 Share capital

	Number	Par value DKK'000	Nominal value DKK'000
Shares	1,100,000	0,001	1,100
	<b>1,100,000</b>		<b>1,100</b>

Due to an capital increase in 2019, the contributed capital has increased by 100 t.DKK to a total of 1,100 t.DKK.

## 10 Deferred tax

	2020 DKK'000
<b>Changes during the year</b>	
Beginning of year	1,943
Recognised in the income statement	483
<b>End of year</b>	<b>2,426</b>

## 11 Non-current liabilities other than provisions

	Due within 12 months 2020 DKK'000	Due within 12 months 2019 DKK'000	Due after more than 12 months 2020 DKK'000	Outstanding after 5 years 2020 DKK'000
Mortgage debt	348	347	1,813	430
Other payables	99	35	4,848	4,551
	<b>447</b>	<b>382</b>	<b>6,661</b>	<b>4,981</b>

## 12 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.

## 13 Assets charged and collateral

The Group has provided guarantees under which the guarantors assume joint and several liability for group enterprises' net debt with bank and credit institution. The Group's total net debt in relation to this guarantee is booked at 1,609 m.DKK at 31.12.2020.

Mortgage debt are secured by way of mortgage on properties. The carrying amount of mortgaged properties is 12,769 t.DKK at 31.12.2020.

## 14 Related parties with controlling interest

Related parties with controlling interests in Viminco A/S:

The following Companies own all the shares in the Entity, and therefore have a controlling influence on this:

- Orifarm Generics Holding A/S
- Orifarm Group A/S
- Habico A/S
- Habico Holding A/S
- HBS Capital ApS

All transactions with related parties are conducted on arms length.



**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 these financial statements are consistent with those applied last year.

## 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 ordinary 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.

**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 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.

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

### **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.

### **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.

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.

### **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.