
NordMedica A/S

Vandtårnsvej 62 e, DK-2860 Søborg

Annual Report for 1 January - 31 December 2018

CVR No 27 29 90 32

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
29/5 2019

Thomas Willem Johannes
Nicolaas Calis
Chairman of the General
Meeting



pwc

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	4
Financial Statements	
Income Statement 1 January - 31 December	5
Balance Sheet 31 December	6
Statement of Changes in Equity	8
Notes to the Financial Statements	9

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of NordMedica A/S for the financial year 1 January - 31 December 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 29 May 2019

Executive Board

Michael van Woensel
CEO

Board of Directors

Thomas Willem Johannes Nicolaas Michael van Woensel
Calis
Chairman

Anthony Louis Julius Theodoor
Joseph Amoureux

Independent Auditor's Report

To the Shareholder of NordMedica A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of NordMedica A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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:

Independent Auditor's Report

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Copenhagen, 29 May 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Ulrik Ræbild

State Authorized Public Accountant

mne33262

Company Information

The Company

NordMedica A/S
Vandtårnsvej 62 e
DK-2860 Søborg
Website: www.nordmedica.com

CVR No: 27 29 90 32
Financial period: 1 January - 31 December
Incorporated: 1 July 2003
Financial year: 15th financial year
Municipality of reg. office: Gladsaxe

Board of Directors

Thomas Willem Johannes Nicolaas Calis, Chairman
Michael van Woensel
Anthony Louis Julius Theodoor Joseph Amoureux

Executive Board

Michael van Woensel

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Income Statement 1 January - 31 December

	Note	2018 EUR	2017 EUR
Gross profit/loss		2.167.017	2.950.159
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-213.728	-214.737
Resultat før finansielle poster		1.953.289	2.735.422
Income from investments in subsidiaries		-176.209	0
Financial income	2	64.319	184.870
Financial expenses		-2.964	-46.589
Resultat før skat		1.838.435	2.873.703
Tax on profit/loss for the year	3	-445.102	-640.066
Net profit/loss for the year		1.393.333	2.233.637

Distribution of profit

Proposed distribution of profit

Retained earnings		1.393.333	2.233.637
		1.393.333	2.233.637

Balance Sheet 31 December

Assets

	Note	2018 EUR	2017 EUR
Acquired patents		407.429	729.105
Development projects in progress		0	50.646
Intangible assets	4	407.429	779.751
Investments in subsidiaries	5	0	0
Fixed asset investments		0	0
Fixed assets		407.429	779.751
Inventories		286.093	525.421
Receivables from group enterprises		9.173.775	7.337.587
Other receivables		31.707	0
Receivables		9.205.482	7.337.587
Cash at bank and in hand		90.418	326.578
Currents assets		9.581.993	8.189.586
Assets		9.989.422	8.969.337

Balance Sheet 31 December

Liabilities and equity

	Note	2018 EUR	2017 EUR
Share capital		74.468	74.468
Retained earnings		9.608.278	8.214.945
Equity		9.682.746	8.289.413
Provision for deferred tax		36.978	21.445
Provisions		36.978	21.445
Trade payables		11.077	204.928
Payables to group enterprises		0	14.438
Corporation tax		258.621	434.623
Other payables		0	4.490
Short-term debt		269.698	658.479
Debt		269.698	658.479
Liabilities and equity		9.989.422	8.969.337
Key activities	1		
Contingent assets, liabilities and other financial obligations	6		
Accounting Policies	7		

Statement of Changes in Equity

	<u>Share capital</u>	<u>Retained</u>	<u>Total</u>
	EUR	earnings	EUR
	EUR	EUR	EUR
Equity at 1 January	74.468	8.214.945	8.289.413
Net profit/loss for the year	0	1.393.333	1.393.333
Equity at 31 December	74.468	9.608.278	9.682.746

Notes to the Financial Statements

1 Key activities

NordMedica A/S is a privately owned pharmaceutical company with focus on acquisition and international branding of well-established, original medicaments and medical equipment.

	<u>2018</u> EUR	<u>2017</u> EUR
2 Financial income		
Interest received from group enterprises	55.676	183.257
Other financial income	358	1
Exchange gains	<u>8.285</u>	<u>1.612</u>
	<u>64.319</u>	<u>184.870</u>

3 Tax on profit/loss for the year

Current tax for the year	415.228	632.104
Deferred tax for the year	15.533	7.962
Adjustment of tax concerning previous years	<u>14.341</u>	<u>0</u>
	<u>445.102</u>	<u>640.066</u>

Notes to the Financial Statements

4 Intangible assets

	Acquired patents	Development projects in progress
	EUR	EUR
Cost at 1 January	1.452.494	50.646
Disposals for the year	-396.483	0
Transfers for the year	50.645	-50.646
Cost at 31 December	<u>1.106.656</u>	<u>0</u>
Impairment losses and amortisation at 1 January	723.389	0
Amortisation for the year	213.728	0
Reversal of amortisation of disposals for the year	-237.890	0
Impairment losses and amortisation at 31 December	<u>699.227</u>	<u>0</u>
Carrying amount at 31 December	<u>407.429</u>	<u>0</u>
Amortised over	<u>5 years</u>	

Notes to the Financial Statements

	2018 EUR	2017 EUR
5 Investments in subsidiaries		
Cost at 1 January	67.043	67.043
Cost at 31 December	67.043	67.043
Value adjustments at 1 January	-67.043	-67.043
Net profit/loss for the year	-176.206	0
Value adjustments at 31 December	-243.249	-67.043
Equity investments with negative net asset value amortised over receivables	176.206	0
Carrying amount at 31 December	0	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Nordmedica SA	6982 Agno	EUR 67.043	100%

6 Contingent assets, liabilities and other financial obligations

There are no security and contingent liabilities at 31 December 2018.

Notes to the Financial Statements

7 Accounting Policies

The Annual Report of NordMedica A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2018 are presented in EUR.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Euro is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Notes to the Financial Statements

7 Accounting Policies (continued)

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Cost of sales

Cost of sales comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, cost of sales and other external expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Notes to the Financial Statements

7 Accounting Policies (continued)

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Intangible assets

Acquired patents is measured at cost less accumulated amortisation. Development costs is amortised on a straightline basis over its useful life, which is assessed at 5 years. Amortisation is not done on ongoing development projects.

Impairment of fixed assets

The carrying amounts of intangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Notes to the Financial Statements

7 Accounting Policies (continued)

Subsidiaries with a negative net asset value are recognised at EUR 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Notes to the Financial Statements

7 Accounting Policies (continued)

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.