

Habico Holding A/S

Energivej 15
5260 Odense S
CVR No. 27347134

Annual report 2021

The Annual General Meeting adopted the
annual report on 24.06.2022

Hans Bøgh-Sørensen

Chairman of the General Meeting

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Entity details

Entity

Habico Holding A/S

Energivej 15

5260 Odense S

Business Registration No.: 27347134

Registered office: Odense

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Hans Bøgh-Sørensen, Chairman

Ole Michael Friis

Andreas Henrik Bøgh-Sørensen

Birgitte Bøgh-Sørensen

Christian Ulrik Bøgh-Sørensen

Anne-Charlotte Bøgh-Sørensen

Executive Board

Birgitte Bøgh-Sørensen

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 Habico Holding A/S for the financial year 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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.

Odense, 10.06.2022

Executive Board

Birgitte Bøgh-Sørensen

Board of Directors

Hans Bøgh-Sørensen
Chairman

Ole Michael Friis

Andreas Henrik Bøgh-Sørensen

Birgitte Bøgh-Sørensen

Christian Ulrik Bøgh-Sørensen

Anne-Charlotte Bøgh-Sørensen

Independent auditor's report

To the shareholders of Habico Holding A/S

Opinion

We have audited the financial statements of Habico Holding A/S for the financial year 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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.

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.

Odense, 10.06.2022

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

	2021	2020	2019	2018	2017
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	(595)	(672)	(398)	(535)	(141)
Operating profit/loss	(3,350)	(2,421)	(2,150)	(536)	(139)
Net financials	4	(5)	1,686	(1,512)	(611)
Profit/loss for the year	250,413	203,363	257,063	200,685	177,055
Total assets	1,666,495	1,437,035	1,334,204	1,232,597	1,096,339
Equity	1,663,724	1,436,984	1,334,152	1,155,699	1,001,627
Ratios					
Return on equity (%)	16.15	14.68	20.65	18.60	19.20
Equity ratio (%)	99.83	100.00	100.00	93.76	91.36

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

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):

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

Total assets

Primary activities

Habico Holding A/S is a holding company established and ultimately owned by the Bøgh-Sørensen family. Birgitte and Hans Bøgh-Sørensen founded Orifarm Group A/S.

The Group's primary business activity is being an ambitious operator in the European market for pharmaceuticals through the investment in Orifarm Group A/S, which is the largest supplier of parallel imported pharmaceuticals in Europe, and a producer and seller of well-known brands as well as generic pharmaceuticals.

Secondly the Habico Group invests across a broad range of asset classes including Private Equity, Real Estate, Investment cars and other financial assets both public and private, through the ownership of Habico Invest A/S.

Development in activities and finances

The annual result shows a profit of k.DKK 250,413 against a profit of k.DKK 203,363 in 2020.

Profit/loss for the year in relation to expected developments

The company's results for 2021 are considered satisfactory and in line with the expectations set out in the financial statement for 2020.

Outlook

For 2022, Habico Holding A/S expects a result at 2021 level. No consequences from the conflict in Ukraine have been incorporated into these expectations.

Statutory report on corporate social responsibility

Habico Holding A/S is a part of the HBS Capital ApS Group. Reference is made to management commentary in the group financial statements for HBS Capital ApS.

Statutory report on the underrepresented gender

Throughout many years, the Company has focused on diversity among the employees and in management, including an equal distribution between men and women. The Company believes that this ensures a good working environment and helps sharpen the Company's competitiveness.

With 6 board members, the current distribution between the genders of 2/6 is considered to be an equal distribution. On this basis, no further target figures for the Board are reported.

Statutory report on data ethics policy

The Company follows the same data ethics policy as Orifarm Group. Orifarm Group has published its policy on data ethics through the CSR reporting which is available at https://www.orifarm.com/media/2094/csr-report-2021_final.pdf.

Events after the balance sheet date

From the reporting date until today, no events have occurred which could change the assessments made in the Annual Report. At the current stage in time, the conflict in Ukraine is not expected to have any significant effect on the Entity's results.

Income statement for 2021

	Notes	2021 DKK'000	2020 DKK '000
Other external expenses		(595)	(672)
Gross profit/loss		(595)	(672)
Staff costs	2	(2,755)	(1,749)
Operating profit/loss		(3,350)	(2,421)
Income from investments in group enterprises		253,351	205,367
Other financial income	3	16	9
Other financial expenses		(12)	(14)
Profit/loss before tax		250,005	202,941
Tax on profit/loss for the year	4	408	422
Profit/loss for the year	5	250,413	203,363

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Investments in group enterprises		1,665,013	1,435,334
Financial assets	6	1,665,013	1,435,334
Fixed assets		1,665,013	1,435,334
Receivables from group enterprises		640	624
Tax receivable		736	420
Prepayments	7	106	0
Receivables		1,482	1,044
Cash		0	657
Current assets		1,482	1,701
Assets		1,666,495	1,437,035

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital	8	8,612	8,612
Reserve for net revaluation according to the equity method		1,520,880	1,291,202
Retained earnings		97,049	99,973
Proposed dividend		37,183	37,197
Equity		1,663,724	1,436,984
Bank loans		1,030	0
Trade payables		250	0
Other payables		1,491	51
Current liabilities other than provisions		2,771	51
Liabilities other than provisions		2,771	51
Equity and liabilities		1,666,495	1,437,035
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Statement of changes in equity for 2021

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	8,612	1,291,202	99,973	37,197	1,436,984
Ordinary dividend paid	0	0	0	(37,197)	(37,197)
Exchange rate adjustments	0	11,879	0	0	11,879
Other entries on equity	0	1,645	0	0	1,645
Dividends from group enterprises	0	(37,197)	37,197	0	0
Profit/loss for the year	0	253,351	(40,121)	37,183	250,413
Equity end of year	8,612	1,520,880	97,049	37,183	1,663,724

Notes

1 Events after the balance sheet date

From the reporting date until today, no events have occurred which could change the assessments made in the Annual Report. At the current stage in time, the conflict in Ukraine is not expected to have any significant effect on the Entity's results.

2 Staff costs

	2021 DKK'000	2020 DKK'000
Average number of full-time employees	0	0

	Remuneration of Management 2021 DKK'000	Remuneration of Management 2020 DKK'000
Board of Directors	2,750	1,750
	2,750	1,750

3 Other financial income

	2021 DKK'000	2020 DKK'000
Financial income from group enterprises	16	9
	16	9

4 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Current tax	(736)	(420)
Adjustment concerning previous years	328	(2)
	(408)	(422)

5 Proposed distribution of profit and loss

	2021 DKK'000	2020 DKK'000
Ordinary dividend for the financial year	37,183	37,197
Retained earnings	213,230	166,166
	250,413	203,363

6 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	144,133
Cost end of year	144,133
Revaluations beginning of year	1,291,202
Exchange rate adjustments	11,879
Adjustments on equity	1,645
Share of profit/loss for the year	253,351
Dividend	(37,197)
Revaluations end of year	1,520,880
Carrying amount end of year	1,665,013

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Habico A/S	Denmark	A/S	100.00

7 Prepayments

Consists of prepayments on costs concerning subsequent financial year.

8 Share capital

	Number	Par value DKK'000	Nominal value DKK'000
Shares	8,612,000	0,001	8,612,000
	8,612,000		8,612,000

9 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.

10 Assets charged and collateral

The subsidiary Habico 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 amount to MDKK 4,611 at 31.12.2021.

As security for debt to banks, the Entity has pledged unlisted shares in certain subsidiaries with a total book value per 31 December 2021 of MDKK 1.665

11 Related parties with controlling interest

Related parties with controlling interest in Habico Holding A/S:

- HBS Capital ApS, Central Business Registration No 41 00 08 80, Odense, Ultimate Parent company
- Hans Carl Bøgh-Sørensen, Odense, ultimate beneficial owner

Other related parties Habico Holding A/S has had transactions with in 2021: The companies Board of Directors and Executive Board.

Fees etc. to Executive Management and Board of Directors are separately disclosed in note 2, Staff costs.

12 Transactions with related parties

All transactions with related parties are carried out on arms length.

13 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group: HBS Capital ApS, Odense, Central Business Registration No 41 00 08 80.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: HBS Capital ApS, Odense, Central Business Registration No 41 00 08 80.

Accounting policies

Reporting class

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

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

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

Income statement

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for stationery and office supplies, marketing costs, etc.

Referring to section 96 (3) in the Danish Financial Statement Act the Entity has decided not to show the fee to auditors. Reference is made to the information for the Group in the consolidated financial statements for HBS Capital ApS.

Staff costs

Staff costs comprise wages and salaries, social security costs, pension contributions, etc. for the Company's staff.

Income from investments in group enterprises

Income from investments in group enterprises and associates comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, 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, net capital or exchange losses on securities, payables and transactions in foreign currencies.

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 all 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 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 recognised in the company in which the interest deduction has been reduced.

Balance sheet**Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad receivables.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Other financial liabilities

Other financial liabilities are measured at amortized cost, usually equaling nominal value of the liability.

Cash flow statement

Referring to section 86 (4) of the Danish Financial Statements Act, Habico A/S has not prepared any cash flow statement. Habico Holding A/S is included in the consolidated cash flow statement in HBS Capital ApS.