

Orifarm Property A/S

Energivej 15
5260 Odense S
CVR No. 27347266

Annual report 2021

The Annual General Meeting adopted the
annual report on 24.06.2022

Kim Jensen

Chairman of the General Meeting

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Entity details

Entity

Orifarm Property A/S

Energivej 15

5260 Odense S

Business Registration No.: 27347266

Registered office: Odense

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Erik Sandberg

Kim Jensen

Birgitte Bøgh-Sørensen

Executive Board

Hans Bøgh-Sørensen, 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 Orifarm Property 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, 24.06.2022

Executive Board

Hans Bøgh-Sørensen
Chief Executive Officer

Board of Directors

Erik Sandberg

Kim Jensen

Birgitte Bøgh-Sørensen

Independent auditor's report

To the shareholder of Orifarm Property A/S

Opinion

We have audited the financial statements of Orifarm Property 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.

Copenhagen, 24.06.2022

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

Primary activities

Orifarm Property A/S is part of the Orifarm Group which is an ambitious operator in the European market for pharmaceuticals, and our ambition is to make affordable healthcare available. In other words: We offer consumers and societies more healthcare for their money.

The Company's primary activities consist of possessing of tenanted property and hereby related activities.

Development in activities and finances

The annual result for 2021 shows a profit of k.DKK 7,566 against a profit of k.DKK 7,429 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 by the management.

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 results.

Income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Gross profit/loss		15,422	12,248
Depreciation, amortisation and impairment losses	1	(4,060)	(2,281)
Operating profit/loss		11,362	9,967
Other financial income	2	55	176
Other financial expenses	3	(1,819)	(619)
Profit/loss before tax		9,598	9,524
Tax on profit/loss for the year	4	(2,032)	(2,095)
Profit/loss for the year		7,566	7,429
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		0	15,000
Retained earnings		7,566	(7,571)
Proposed distribution of profit and loss		7,566	7,429

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Land and buildings		116,048	115,518
Other fixtures and fittings, tools and equipment		2,119	0
Property, plant and equipment in progress		147,947	76,530
Property, plant and equipment	5	266,114	192,048
Fixed assets		266,114	192,048
Receivables from group enterprises		21,342	0
Other receivables		1,053	5,417
Joint taxation contribution receivable		779	0
Receivables		23,174	5,417
Current assets		23,174	5,417
Assets		289,288	197,465

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		1,000	1,000
Retained earnings		64,209	56,643
Proposed dividend		0	15,000
Equity		65,209	72,643
Deferred tax		19,638	16,827
Provisions		19,638	16,827
Mortgage debt		95,377	75,831
Deposits		1,410	0
Non-current liabilities other than provisions	6	96,787	75,831
Current portion of non-current liabilities other than provisions	6	103	4,086
Trade payables		5,155	11,025
Payables to group enterprises		98,841	16,377
Income tax payable		0	432
Other payables		3,555	244
Current liabilities other than provisions		107,654	32,164
Liabilities other than provisions		204,441	107,995
Equity and liabilities		289,288	197,465
Contingent liabilities	7		
Assets charged and collateral	8		
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Statement of changes in equity for 2021

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	1,000	56,643	15,000	72,643
Ordinary dividend paid	0	0	(15,000)	(15,000)
Profit/loss for the year	0	7,566	0	7,566
Equity end of year	1,000	64,209	0	65,209

Notes

1 Depreciation, amortisation and impairment losses

	2021 DKK'000	2020 DKK'000
Depreciation of property, plant and equipment	2,414	2,281
Profit/loss from sale of intangible assets and property, plant and equipment	1,646	0
	4,060	2,281

2 Other financial income

	2021 DKK'000	2020 DKK'000
Financial income from group enterprises	0	15
Exchange rate adjustments	55	161
	55	176

3 Other financial expenses

	2021 DKK'000	2020 DKK'000
Financial expenses from group enterprises	1,403	330
Other financial expenses	416	289
	1,819	619

4 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Current tax	0	432
Change in deferred tax	2,891	1,663
Adjustment concerning previous years	(80)	0
Refund in joint taxation arrangement	(779)	0
	2,032	2,095

5 Property, plant and equipment

	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	144,676	497	76,530
Additions	4,570	2,140	71,417
Disposals	(1,744)	(457)	0
Cost end of year	147,502	2,180	147,947
Depreciation and impairment losses beginning of year	(29,158)	(497)	0
Depreciation for the year	(2,393)	(21)	0
Reversal regarding disposals	97	457	0
Depreciation and impairment losses end of year	(31,454)	(61)	0
Carrying amount end of year	116,048	2,119	147,947

6 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK'000	Due within 12 months 2020 DKK'000	Due after more than 12 months 2021 DKK'000	Outstanding after 5 years 2021 DKK'000
Mortgage debt	103	4,086	95,377	90,056
Deposits	0	0	1,410	1,410
	103	4,086	96,787	91,466

7 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.

8 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties. The mortgage also comprises the plant and machinery deemed part of the property. The carrying amount of mortgaged properties is k.DKK 263,995.

The entity 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 MDKK 4,611 at 31.12.2021.

9 Related parties with controlling interest

Related parties with controlling interests in Orifarm Property A/S:

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

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

10 Transactions with related parties

All transactions with related parties are conducted on arms length.

11 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 presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

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

Reclassifications of items of the income statements and balance sheet have been made in the comparison year which have not affected profit.

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

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue comprises rental income. Revenue is recognised net of VAT, and duties and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses to operation of property.

Depreciation, amortisation and impairment losses

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

Other financial income

Other financial income comprises interest income, including exchange gains on payable and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including exchange losses on 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 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 and equipment**

Buildings and other fixtures 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.

The basis of depreciation is cost less estimated residual value after the end of useful life. The residual value is estimated at 40 % of the acquisition price of the buildings.

Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	10-50 years
Other fixtures and fittings, tools and equipment	3 years

Estimated useful lives and residual values are reassessed annually.

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

Profit or losses from the sale of property and equipment are calculated as the difference between selling price less selling cost and carrying amount at the time of sale. Profit and losses are recognized in the income statement.

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.

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.

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.

Tax receivable or payable

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