

Orifarm Property A/S

Energivej 15
5260 Odense S
CVR No. 27347266

Annual report 2023

The Annual General Meeting adopted the annual report on 05.06.2024

Matias Nørtoft Popp

Chairman of the General Meeting

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Entity details

Entity

Orifarm Property A/S

Energivej 15

5260 Odense S

Business Registration No.: 27347266

Registered office: Odense

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Erik Sandberg, Chairman

Birgitte Bøgh-Sørensen

Jacob Lucassen

Executive Board

Hans 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 Orifarm Property A/S for the financial year 01.01.2023 - 31.12.2023.

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

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

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

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

Odense, 05.06.2024

Executive Board

Hans Bøgh-Sørensen

Board of Directors

Erik Sandberg
Chairman

Birgitte Bøgh-Sørensen

Jacob Lucassen

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 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Basis for opinion

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

Management's responsibilities for the financial statements

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

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, 05.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Serup

State Authorised Public Accountant
Identification No (MNE) mne45825

Victor Fortmann Storm

State Authorised Public Accountant
Identification No (MNE) mne50626

Management commentary

Financial highlights

	2023	2022	2021	2020
	DKK'000	DKK'000	DKK'000	DKK'000
Key figures				
Gross profit/loss	25,387	21,548	13,776	12,248
Operating profit/loss	13,167	11,744	11,362	9,967
Net financials	(21,701)	(6,084)	(1,764)	(443)
Profit/loss for the year	(7,051)	3,502	7,566	7,429
Total assets	593,345	408,105	289,288	197,465
Investments in property, plant and equipment	118,032	137,086	78,127	75,287
Equity	61,660	68,711	65,209	72,643
Ratios				
Return on equity (%)	(10.82)	5.23	10.98	20.45
Equity ratio (%)	10.39	16.84	22.54	36.79

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

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

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

Development in activities and finances

The annual result for 2023 shows a loss of kDKK 7,051 against a profit of kDKK 3,502 in 2022.

The company's results for 2023 are considered unsatisfactory and is mainly due to increased financial expenses.

In 2023, Orifarm Property A/S successfully completed the construction of a new cantine and office building as an extension to the headquarters in Odense

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.

Income statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Gross profit/loss		25,387	21,548
Depreciation, amortisation and impairment losses	1	(12,220)	(9,804)
Operating profit/loss		13,167	11,744
Other financial income	2	3,975	464
Other financial expenses	3	(25,676)	(6,548)
Profit/loss before tax		(8,534)	5,660
Tax on profit/loss for the year	4	1,483	(2,158)
Profit/loss for the year		(7,051)	3,502
Proposed distribution of profit and loss			
Retained earnings		(7,051)	3,502
Proposed distribution of profit and loss		(7,051)	3,502

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Land and buildings		477,145	290,866
Other fixtures and fittings, tools and equipment		16,020	13,979
Property, plant and equipment in progress		0	88,551
Property, plant and equipment	5	493,165	393,396
Fixed assets		493,165	393,396
Receivables from group enterprises		85,715	10,498
Other receivables		6,509	2,622
Joint taxation contribution receivable		7,956	1,589
Receivables		100,180	14,709
Current assets		100,180	14,709
Assets		593,345	408,105

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital		1,000	1,000
Retained earnings		60,660	67,711
Equity		61,660	68,711
Deferred tax		29,857	23,381
Provisions		29,857	23,381
Mortgage debt		212,249	143,918
Deposits		1,410	1,410
Non-current liabilities other than provisions	6	213,659	145,328
Trade payables		4,856	620
Payables to group enterprises		281,726	163,147
Other payables		1,587	6,918
Current liabilities other than provisions		288,169	170,685
Liabilities other than provisions		501,828	316,013
Equity and liabilities		593,345	408,105
Employees	7		
Contingent liabilities	8		
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Statement of changes in equity for 2023

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1,000	67,711	68,711
Profit/loss for the year	0	(7,051)	(7,051)
Equity end of year	1,000	60,660	61,660

Notes

1 Depreciation, amortisation and impairment losses

	2023	2022
	DKK'000	DKK'000
Depreciation of property, plant and equipment	12,220	9,804
	12,220	9,804

2 Other financial income

	2023	2022
	DKK'000	DKK'000
Financial income from group enterprises	3,307	390
Exchange rate adjustments	169	74
Other financial income	499	0
	3,975	464

3 Other financial expenses

	2023	2022
	DKK'000	DKK'000
Financial expenses from group enterprises	20,363	5,165
Exchange rate adjustments	122	0
Other financial expenses	5,191	1,383
	25,676	6,548

4 Tax on profit/loss for the year

	2023	2022
	DKK'000	DKK'000
Change in deferred tax	6,477	2,834
Adjustment concerning previous years	(4)	913
Refund in joint taxation arrangement	(7,956)	(1,589)
	(1,483)	2,158

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	330,617	15,546	88,551
Transfers	88,551	0	(88,551)
Additions	113,974	4,058	0
Disposals	(7,146)	0	0
Cost end of year	525,996	19,604	0
Depreciation and impairment losses beginning of year	(39,751)	(1,567)	0
Depreciation for the year	(10,203)	(2,017)	0
Reversal regarding disposals	1,103	0	0
Depreciation and impairment losses end of year	(48,851)	(3,584)	0
Carrying amount end of year	477,145	16,020	0

6 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK'000	Outstanding after 5 years 2023 DKK'000
Mortgage debt	212,249	194,072
Deposits	1,410	1,410
	213,659	195,482

7 Employees

In the financial year of 2023 the average number of employees was 0.

8 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.

9 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 kDKK 477,145.

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 3,714 at 31.12.2023.

10 Related parties with controlling interest

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

- Orifarm Group A/S
- Habico A/S
- Habico Holding A/S
- HBS Capital ApS
- Hans Bøgh-Sørensen, Odense, ultimate beneficial owner

All transactions with related parties which are not according with market conditions are conducted on arms length. There have been no such transactions in the financial year.

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.

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:

	Useful life
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.

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.