



Histolab Products ApS

Bredgade 30
1260 København K
CVR No. 28292090

Annual report 2019

The Annual General Meeting adopted the
annual report on 30.03.2020

Karl Joakim Alexander Flinck
Chairman

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2019	8
Balance sheet at 31.12.2019	9
Statement of changes in equity for 2019	11
Notes	12
Accounting policies	14

Entity details

Entity

Histolab Products ApS

Bredgade 30

1260 København K

CVR No.: 28292090

Registered office: København

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Karl Joakim Alexander Flinck, Chairman

Carl Olof Jenefeldt

Executive Board

Karl Joakim Alexander Flinck, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Histolab Products ApS for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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.

Copenhagen, 30.03.2020

Executive Board

Karl Joakim Alexander Flinck
CEO

Board of Directors

Karl Joakim Alexander Flinck
Chairman

Carl Olof Jenefeldt

Independent auditor's report

To the shareholders of Histolab Products ApS

Opinion

We have audited the financial statements of Histolab Products ApS for the financial year 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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, 30.03.2020

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Flemming Larsen

State Authorised Public Accountant

Identification No (MNE) mne27790

Management commentary

Primary activities

The main purpose of the Company is trade with pharmaceutical products.

Development in activities and finances

Result for the year shows a profit of DKK 268,799, which management considers satisfactory.

Events after the balance sheet date

The COVID-19 outbreak has escalated in the beginning of 2020, and on 11. marts 2020 WHO has declared the outbreak for a worldwide. The outbreak has resulted in a number of precautions that affect the organization and operation of day-to-day operations, and the Group's suppliers and customers may be affected. Its economic impact cannot be determined at this time

In addition to the above no significant events of significance to the annual report have occurred after the balance sheet date.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Revenue		8,483,825	8,210,225
Cost of sales		(6,560,725)	(6,130,265)
Other external expenses		(590,902)	(542,219)
Gross profit/loss		1,332,198	1,537,741
Staff costs	1	(988,538)	(1,050,075)
Operating profit/loss		343,660	487,666
Other financial income	2	13,283	10,284
Other financial expenses	3	(11,463)	(12,038)
Profit/loss before tax		345,480	485,912
Tax on profit/loss for the year	4	(76,681)	(111,135)
Profit/loss for the year		268,799	374,777
Proposed distribution of profit and loss:			
Retained earnings		268,799	374,777
Proposed distribution of profit and loss		268,799	374,777

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Trade receivables		852,823	1,030,280
Receivables from group enterprises	5	2,458,075	0
Other receivables		43,874	11,760
Receivables		3,354,772	1,042,040
Cash		0	1,978,719
Current assets		3,354,772	3,020,759
Assets		3,354,772	3,020,759

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		125,000	125,000
Retained earnings		2,100,332	1,831,533
Equity		2,225,332	1,956,533
Prepayments received from customers		18,750	0
Trade payables		51,226	6,104
Payables to group enterprises		145,738	93,514
Joint taxation contribution payable		76,681	111,135
Other payables	6	837,045	853,473
Current liabilities other than provisions		1,129,440	1,064,226
Liabilities other than provisions		1,129,440	1,064,226
Equity and liabilities		3,354,772	3,020,759

Contingent liabilities

7

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125,000	1,831,533	1,956,533
Profit/loss for the year	0	268,799	268,799
Equity end of year	125,000	2,100,332	2,225,332

Notes

1 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	917,830	982,700
Pension costs	156,630	156,026
Other social security costs	(92,564)	(92,820)
Other staff costs	6,642	4,169
	988,538	1,050,075
Average number of full-time employees	1	1

2 Other financial income

	2019	2018
	DKK	DKK
Exchange rate adjustments	13,283	10,284
	13,283	10,284

3 Other financial expenses

	2019	2018
	DKK	DKK
Other interest expenses	8,910	9,926
Exchange rate adjustments	8	19
Other financial expenses	2,545	2,093
	11,463	12,038

4 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Current tax	76,681	108,108
Refund in joint taxation arrangement	0	3,027
	76,681	111,135

5 Receivables from group enterprises

The Company's receivable at year end in group cash pool accounts are DKK 2,458,075.

The Company's ability to utilize the funds in question may be limited by others in the cash pool account participating group companies' account balances.

At the year end the group cash pool balance in Nordea was EUR 563,017 (limit EUR 500,000).

6 Other payables

	2019	2018
	DKK	DKK
VAT and duties	541,005	480,115
Wages and salaries, personal income taxes, social security costs, etc payable	253,870	253,725
Other costs payable	42,170	119,633
	837,045	853,473

7 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Algol Chemicals ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

Responsibilities for behalf of companies belonging to the same group

The commitment is related to the company's ultimate Algol Group parent company Algol Oy and it is EUR 500,000 overdraft facility in Nordea Bank Finland Ltd. The overdraft facility constitutes the base of the Algol Group cash pool. The company and other Algol Group companies having an internal overdraft facility within the Group cash pool have each given Nordea Bank Finland Ltd a guarantee covering the Algol Oy cash pool account liability in addition to other collateral provided by Algol Oy.

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 certain 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

Revenue

Revenue from the sale of 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.

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. 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.

Other financial income

Other financial income comprises of interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses.

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.

Balance sheet**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of 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.