

Hipra Nordic ApS

Haderslevvej 36, 6000 Kolding
CVR no. 35 40 74 64

Annual report for 2016

This annual report has been adopted at the
company's annual general meeting on

Chairman of the meeting

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The company

Hipra Nordic ApS
Haderslevvej 36
6000 Kolding
Danmark
Registered office: Kolding
CVR no.: 35 40 74 64
Financial year: 01.01 - 31.12

Executive Board

David Nogareda Estivill
Maria del Mar Nogareda Estivill
Carlos Montañés Estupiñá

Auditors

RSM Denmark

Statement of the Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.16 - 31.12.16 for Hipra Nordic ApS.

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

In our opinion, the financial statements give a true and fair view of the the company's assets, liabilities and financial position as at 31.12.16 and of the results of the the company's activities for the financial year 01.01.16 - 31.12.16.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

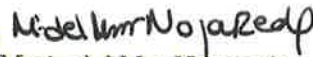
The annual report is submitted for adoption by the general meeting.

Kolding, February 06, 2017

Executive Board



David Nogareda Estivill



Maria del Mar Nogareda
Estivill



Carlos Montañés Estupiñá

To the the shareholder of Hipra Nordic ApS

Opinion

We have audited the financial statements of Hipra Nordic ApS for the financial year 01.01.16 - 31.12.16, which comprise the income statement, balance sheet, statement of changes in equity and notes, inclusive of accounting policies. The financial statements are prepared in accordance with Danish Financial Statements Act

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.16 and of the results of the company's operations for the financial year 01.01.16 - 31.12.16 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing 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 responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 International Standards on Auditing 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 International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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.

Statement regarding the management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, 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 management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not identify any material misstatement of management's review.

Kolding, February 06, 2017

RSM Denmark

CVR no. 32 89 54 68



Torben Kristensen

State Authorized Public Accountant

Primary activities

The company's activities comprise is business development, import and export, trade and dealing both wholesale and retail, manufacture, supply and distribution of all kinds of biological, pharmaceutical, chemical, medicinal, diagnostic kits, veteniary products and all other goods and things of such a connection with any of the foregoing businesses. The company shall carry on research and development work, marketing, promotional, technical and veterinary consultancy services in relation to all kind of animal health products and services and others, in the option of the directors be advantageously carried on by the company in connection with or as auxiliary to the general business of the company and also related businesses according to the directors.

Development in activities and financial affairs

The income statement for the period 01.01.16 - 31.12.16 shows a profit of DKK 1,182,071 against DKK 469,381 for the period 01.01.15 - 31.12.15. The balance sheet shows equity of DKK 4,829,638.

The management considers the net profit for the year to be satisfactory.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2016 DKK	2015 DKK
	Gross profit	5.965.511	4.935.369
1	Staff costs	-4.366.746	-4.271.542
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	1.598.765	663.827
	Depreciation, amortisation, impairment losses and write-downs of property, plant and equipment	-35.418	-34.286
	Profit/loss before net financials	1.563.347	629.541
	Financial income	0	2
	Financial expenses	-16.048	-1.347
	Profit/loss before tax	1.547.299	628.196
	Tax on profit or loss for the year	-365.228	-158.815
	Profit/loss for the year	1.182.071	469.381
	Proposed appropriation account		
	Retained earnings	1.182.071	469.381
	Total	1.182.071	469.381

Balance sheet

ASSETS		31.12.16	31.12.15
Note		DKK	DKK
	Other fixtures and fittings, tools and equipment	65.143	70.165
2	Total property, plant and equipment	65.143	70.165
	Deposits	48.076	47.307
	Total investments	48.076	47.307
	Total non-current assets	113.219	117.472
	Manufactured goods and goods for resale	1.456.662	1.412.905
	Total inventories	1.456.662	1.412.905
	Trade receivables	2.463.175	3.894.942
	Receivables from group enterprises	681.996	0
	Deferred tax asset	0	760
	Other receivables	54.000	54.000
	Total receivables	3.199.171	3.949.702
	Cash	2.552.453	480.645
	Total current assets	7.208.286	5.843.252
	Total assets	7.321.505	5.960.724

Balance sheet

EQUITY AND LIABILITIES

Note	31.12.16 DKK	31.12.15 DKK
Contributed capital	4.320.000	4.320.000
Contributed capital and premium not paid	-1.000.000	-1.000.000
Reserve for contributed capital and premium not paid	1.000.000	1.000.000
Retained earnings	509.638	-672.433
Total equity	4.829.638	3.647.567
Provisions for deferred tax	2.221	0
Total provisions	2.221	0
Trade payables	223.283	223.109
Income taxes	7.478	130.143
Other payables	2.258.885	1.959.905
Total short-term payables	2.489.646	2.313.157
Total payables	2.489.646	2.313.157
Total equity and liabilities	7.321.505	5.960.724

3 Contingent liabilities

Statement of changes in equity

Figures in DKK	Contributed capital	Contributed premium capital and paid	Reserve for contributed capital and premium not paid	Retained earnings	Total equity
Statement of changes in equity for 01.01.16 - 31.12.16					
Balance pr. 01.01.16	4.320.000	-1.000.000	1.000.000	-672.433	3.647.567
Net profit/loss for the year	0	0	0	1.182.071	1.182.071
Balance as at 31.12.16	4.320.000	-1.000.000	1.000.000	509.638	4.829.638

	2016 DKK	2015 DKK
1. Staff costs		
Wages and salaries	3.841.263	3.727.241
Pensions	467.881	433.872
Other social security costs	43.432	44.560
Other staff costs	14.170	65.869
Total	4.366.746	4.271.542
Average number of employees during the year	5	5

2. Property, plant and equipment

Figures in DKK	Other fixtures and fittings, tools and equipment
Cost pr. 01.01.16	126.114
Additions during the year	30.396
Cost as at 31.12.16	156.510
Depreciation and impairment losses pr. 01.01.16	-55.949
Depreciation during the year	-35.418
Depreciation and impairment losses as at 31.12.16	-91.367
Carrying amount as at 31.12.16	65.143

3. Contingent liabilities

The company has entered into financial leases for four cars, residual maturity of 16 to 30 months with an average output of DKK 19.483, a total of DKK 584.481.

4. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for reporting class C medium-sized.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the

4. Accounting policies - continued -

exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT**Gross profit**

Gross profit comprises revenue and cost of sales and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises, bad debts to the extent that these do not exceed normal write-downs, and operating lease expenses.

4. Accounting policies - continued -**Staff costs**

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation, amortisation and impairment losses

The amortisation and depreciation of property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated/amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful life, year	Residual value, per cent
Other plant, fixtures and fittings, tools and equipment	3-5	0

The basis of depreciation/amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation/amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET**Property, plant and equipment**

Property, plant and equipment comprise other fixtures and fittings, tools and equipment

4. Accounting policies - continued -

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. [For self-constructed or self-produced assets, the cost also comprises production overheads. Production overheads include indirect material and labour costs as well as maintenance and depreciation of machinery, buildings and equipment used in the production process as well as the costs of factory administration and management.] Interest on loans arranged to finance production is [not] included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation/amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

4. Accounting policies - continued -**Inventories**

Inventories are measured at cost calculated according to the FIFO principle. Inventories are written down to the lower of cost and net realisable value.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity**Current and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Deferred tax assets are recognised, following an assessment, at the expected realisable value

4. Accounting policies - continued -

through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Payables

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

