

# Hipra Nordic ApS

Ådalen 7C, 6600 Vejen  
CVR no. 35 40 74 64

## Annual report for 2020

Årsrapporten er godkendt på den  
ordinære generalforsamling, d. 16.02.21

Maria del Mar Nogareda Estivill  
Dirigent

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**The company**

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Hipra Nordic ApS  
Ådalen 7C  
6600 Vejen  
Danmark  
Registered office: Vejen  
CVR no.: 35 40 74 64  
Financial year: 01.01 - 31.12

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**Executive Board**

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David Nogareda Estivill  
Maria del Mar Nogareda Estivill  
Carlos Montañés Estupiñá

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**Auditors**

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Beierholm  
Statsautoriseret Revisionspartnerselskab

## **Statement by the Executive Board on the annual report**

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We have on this day presented the annual report for the financial year 01.01.20 - 31.12.20 for Hipra Nordic ApS.

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

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.20 and of the results of the company's activities for the financial year 01.01.20 - 31.12.20.

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.

Vejen, February 3, 2021

### **Executive Board**

David Nogareda Estivill

Maria del Mar Nogareda  
Estivill

Carlos Montañés Estupiñá

**To the shareholder of Hipra Nordic ApS****Opinion**

We have audited the financial statements of Hipra Nordic ApS for the financial year 01.01.20 - 31.12.20, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.20 and of the results of the company's operations for the financial year 01.01.20 - 31.12.20 in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

**Basis for conclusion**

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.

**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 Statements Acts. We did not identify any material misstatement of management's review.

**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.

Kolding, February 3, 2021

**Beierholm**

Statsautoriseret Revisionspartnerselskab  
CVR no. 32 89 54 68

Torben Kristensen

State Authorized Public Accountant  
MNE-no. mne11678

**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 01.01.20 - 31.12.20 shows a profit/loss of DKK 1,579,779 against DKK 1,600,357 for the period 01.01.19 - 31.12.19. The balance sheet shows equity of DKK 9,951,545.

**Subsequent events**

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



**Income statement**

Note	2020 DKK	2019 DKK
	<b>10,933,983</b>	<b>10,322,901</b>
<b>Gross profit</b>		
1 Staff costs	-8,810,578	-8,129,163
	<b>2,123,405</b>	<b>2,193,738</b>
<b>Profit before depreciation, amortisation, write-downs and impairment losses</b>		
Depreciation and impairments losses of property, plant and equipment	-53,135	-86,427
	<b>2,070,270</b>	<b>2,107,311</b>
<b>Profit before net financials</b>		
2 Financial income	44,197	31,622
Financial expenses	-39,812	-40,516
	<b>2,074,655</b>	<b>2,098,417</b>
<b>Profit before tax</b>		
3 Tax on profit for the year	-494,876	-498,060
	<b>1,579,779</b>	<b>1,600,357</b>
<b>Profit for the year</b>		
<b>Proposed appropriation account</b>		
Retained earnings	1,579,779	1,600,357
<b>Total</b>	<b>1,579,779</b>	<b>1,600,357</b>

<b>ASSETS</b>		31.12.20	31.12.19
		DKK	DKK
Note			
	Other fixtures and fittings, tools and equipment	26,322	79,457
4	<b>Total property, plant and equipment</b>	<b>26,322</b>	<b>79,457</b>
	Deposits	28,800	28,800
	<b>Total investments</b>	<b>28,800</b>	<b>28,800</b>
	<b>Total non-current assets</b>	<b>55,122</b>	<b>108,257</b>
	Manufactured goods and goods for resale	5,279,978	4,346,088
	<b>Total inventories</b>	<b>5,279,978</b>	<b>4,346,088</b>
	Trade receivables	4,923,992	4,548,327
	Receivables from group enterprises	6,366,817	4,770,931
	Deferred tax asset	10,127	4,976
	Other receivables	134,994	116,000
	Prepayments	4,185	4,202
	<b>Total receivables</b>	<b>11,440,115</b>	<b>9,444,436</b>
	<b>Cash</b>	<b>117,703</b>	<b>107,877</b>
	<b>Total current assets</b>	<b>16,837,796</b>	<b>13,898,401</b>
	<b>Total assets</b>	<b>16,892,918</b>	<b>14,006,658</b>

<b>EQUITY AND LIABILITIES</b>		31.12.20	31.12.19
		DKK	DKK
Note			
	Share capital	4,320,000	4,320,000
	Share capital and premium not paid	-1,000,000	-1,000,000
	Reserve for share capital and premium not paid	1,000,000	1,000,000
	Retained earnings	5,631,545	4,051,766
	<b>Total equity</b>	<b>9,951,545</b>	<b>8,371,766</b>
5	Other payables	714,378	214,110
	<b>Total long-term payables</b>	<b>714,378</b>	<b>214,110</b>
	Trade payables	294,301	440,994
	Payables to group enterprises	516,019	1,257,490
	Income taxes	97,658	401,063
	Other payables	5,319,017	3,321,235
	<b>Total short-term payables</b>	<b>6,226,995</b>	<b>5,420,782</b>
	<b>Total payables</b>	<b>6,941,373</b>	<b>5,634,892</b>
	<b>Total equity and liabilities</b>	<b>16,892,918</b>	<b>14,006,658</b>

6 Contingent liabilities

7 Related parties

## Statement of changes in equity

Figures in DKK	Share capital	Share capital and premium not paid	Reserve for share capital and premium not paid	Retained earnings
Statement of changes in equity for 01.01.20 - 31.12.20				
Balance as at 01.01.20	4,320,000	-1,000,000	1,000,000	4,051,766
Net profit/loss for the year	0	0	0	1,579,779
Balance as at 31.12.20	4,320,000	-1,000,000	1,000,000	5,631,545

	2020	2019
	DKK	DKK
<b>1. Staff costs</b>		
Wages and salaries	7,653,849	6,970,003
Pensions	698,569	631,487
Other social security costs	365,512	372,329
Other staff costs	92,648	155,344
<b>Total</b>	<b>8,810,578</b>	<b>8,129,163</b>
Average number of employees during the year	10	8

**2. Financial income**

Interest, group enterprises	44,197	31,622
<b>Total</b>	<b>44,197</b>	<b>31,622</b>

**3. Tax on profit for the year**

Tax on profit or loss for the year	500,027	482,988
Adjustment of deferred tax for the year	-5,151	15,072
<b>Total</b>	<b>494,876</b>	<b>498,060</b>

**4. Property, plant and equipment**

Figures in DKK	Other fixtures and fittings, tools and equipment
Cost as at 01.01.20	391,224
Disposals during the year	-105,664
Cost as at 31.12.20	285,560
Depreciation and impairment losses as at 01.01.20	-311,767
Depreciation during the year	-53,135
Reversal of depreciation of and impairment losses on disposed assets	105,664
Depreciation and impairment losses as at 31.12.20	-259,238
Carrying amount as at 31.12.20	26,322

**5. Long-term payables**

Figures in DKK	Total payables at 31.12.20	Total payables at 31.12.19
Other payables	714,378	214,110
Total	714,378	214,110

## **6. Contingent liabilities**

The company has concluded lease agreements with terms to maturity of 7-47 months and average lease payments of t.DKK 61, a total of t.DKK 1.444.

## **7. Related parties**

The company is included in the consolidated financial statements of the parent Laboratorios Hipra Group S.A., Spain.

## 8. 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.

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.

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.

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.

### 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 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



**8. Accounting policies** - continued -

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, other operating income 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.

**Other operating income**

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

**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 and bad debts to the extent that these do not exceed normal write-downs and operating lease expenses.

**Staff costs**

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

**8. Accounting policies** - continued -

Wages and salaries and other staff-related costs associated with the research and development activity are also recognised under staff costs.

**Depreciation and impairment losses**

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated 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 is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation 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.

## 8. 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. 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 and impairment losses' section.

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.

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.

### **Inventories**

Inventories are measured at cost calculated according to weighted average prices. Inventories are written down to the lower of cost and net realisable value.

**8. Accounting policies** - continued -

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.

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.

**Receivables**

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

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.

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

**Prepayments**

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

**Cash**

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

**Equity**

Share capital not paid in is/are recognised using the gross method according to which the share capital not paid in is/are recognised and treated as a receivable in the balance sheet. An amount corresponding to the share capital not paid in is reclassified from the item 'Retained earnings' to 'Reserve for share capital not paid in'.

**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 liabilities and tax assets are recognised on the basis of all temporary differences

## 8. Accounting policies - continued -

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.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

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.

### Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

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