

# Icepharma A/S

Sluseholmen 8A  
2450 København SV

CVR no. 36 39 34 59

## **Annual report 2018**

The annual report was presented and approved at the  
Company's annual general meeting on

17 June 2019

Kristján Johannsson  
chairman

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## **Statement by the Board of Directors and the Executive Board**

The Board of Directors and the Executive Board have today discussed and approved the annual report of Icepharma A/S for the financial year 1 January – 31 December 2018.

The annual report has been prepared in accordance with the 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 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 17 June 2019  
Executive Board:

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Hörður Þórhallsson

Board of Directors:

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Kristján Johannsson  
Chairman

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Jóhann Ingi Kristjánsson

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Petrea Ingileif  
Gudmundsdottir

## **Independent auditor's report**

### **To the shareholder of Icepharma A/S**

#### **Opinion**

We have audited the financial statements of Icepharma A/S for the financial year 1 January – 31 December 2018 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) 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 rules and 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**

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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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

## Independent auditor's report

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 on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review 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's review.

Copenhagen, 17 June 2019

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Kenn W. Hansen  
State Authorised  
Public Accountant  
mne30154

**Icepharma A/S**  
Annual report 2018  
CVR no. 36 39 34 59

## **Management's review**

### **Company details**

Icepharma A/S  
Sluseholmen 8A  
2450 København SV

Telephone:	40544575
CVR no.:	36 39 34 59
Established:	30 September 2014
Registered office:	Copenhagen
Financial year:	1 January – 31 December

### **Board of Directors**

Kristján Johannsson, Chairman  
Jóhann Ingi Kristjánsson  
Petrea Ingileif Guðmundsdóttir

### **Executive Board**

Hörður Þórhallsson

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 Copenhagen

## **Management's review**

### **Operating review**

#### **Principal activities**

The primary activity is sale of pharmaceutical products and services.

#### **Development in activities and financial position**

The Company realised as expected a loss in 2018 as the Company is still in a start up phase. In 2018, the loss after tax was DKK 7,235 thousand compared to a loss of DKK 4,847 thousand in the year before.

The Company is financed by other group companies.

After the loss for the year of DKK 7,235 thousand and receipt of a grant from the shareholder of DKK 8,643 thousand, the equity at 31 December 2018 amounts to DKK 829 thousand.

The Company has obtained a letter of support from the parent company which, in the opinion of the Executive Board and the Board of Directors will be sufficient to secure sufficient financing of the activities for the next 12 months.

The financial statements for 2018 have therefore been prepared on the basis of going concern.

#### **Events after the balance sheet date**

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2018	2017
<b>Gross loss</b>		-3,628,386	-721,994
Staff costs	2	-3,439,122	-4,118,632
<b>Operating loss</b>		-7,067,508	-4,840,626
Financial income		408	0
Financial expenses		-6,967	-6,323
<b>Loss before tax</b>		-7,074,067	-4,846,949
Tax on loss for the year	3	-161,074	0
<b>Loss for the year</b>		-7,235,141	-4,846,949
<b>Proposed distribution of loss</b>			
Retained earnings		-7,235,141	-4,846,949



## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2018	31/12 2017
<b>ASSETS</b>			
<b>Current assets</b>			
<b>Inventories</b>			
Finished goods and goods for resale		1,362,260	311,968
<b>Receivables</b>			
Trade receivables		208,120	36,054
Other receivables		398,254	175,657
		606,374	211,711
<b>Cash at bank and in hand</b>		144,637	73,940
<b>Total current assets</b>		2,113,271	597,619
<b>TOTAL ASSETS</b>		2,113,271	597,619

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2018	31/12 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		500,000	500,000
Retained earnings		<u>328,645</u>	<u>-1,078,888</u>
<b>Total equity</b>		<u>828,645</u>	<u>-578,888</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		147,147	298,509
Payables to group entities		114,918	0
Corporation tax		161,074	0
Other payables		<u>861,487</u>	<u>877,998</u>
		<u>1,284,626</u>	<u>1,176,507</u>
<b>Total liabilities</b>		<u>1,284,626</u>	<u>1,176,507</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,113,271</u>	<u>597,619</u>
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## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2018	500,000	-1,078,888	-578,888
Grants from parent company	0	8,642,674	8,642,674
Transferred over the distribution of loss	0	-7,235,141	-7,235,141
<b>Equity at 31 December 2018</b>	<b>500,000</b>	<b>328,645</b>	<b>828,645</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Icepharma A/S for 2018 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

#### Revenue

Income from the sale of goods and services, is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place, the income may be reliably measured and is expected to be received.

Revenue is measured at fair value of the agreed remuneration excluding VAT and taxes charged on behalf of third parties. All forms of discounts granted are deducted from revenue.

To the extent that customers have the right to return goods received, revenue is recognised based on the Company's past record with returns. If the Company does not have a past record with similar transactions, revenue is recognised upon expiry of the period for returning the goods.

#### Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Other external costs also comprise research and development costs that do not qualify for capitalisation.

##### Staff costs

Staff costs comprise salaries and wages, including holiday allowance, pension and other social security costs, etc., to the Company's employees excluding refunds from public authorities.

##### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial items comprise interest income and interest expense, as well as realised and unrealised gains and losses on receivables, payables and transactions in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax on profit/loss for the year

Tax for the year comprises current tax and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

### Balance sheet

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Inventories are written down to the lower of net realisable value and cost.

Goods for resale and consumables are measured at cost, comprising purchase price plus delivery costs.

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

##### Receivables

Receivables are measured at amortised cost, which corresponds to nominal value. The value is reduced by write-down for bad debts.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Equity

###### *Dividends*

Proposed dividends are recognised as equity at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

##### Corporation tax and deferred tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities. Deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement and in equity.

##### Liabilities

Financial liabilities are measured at amortized cost normally equal to net realisable value.

#### 2 Staff costs

	2018	2017
DKK		
Wages and salaries	3,121,929	3,709,701
Pensions	303,062	366,784
Other social security costs	14,131	42,147
	<u>3,439,122</u>	<u>4,118,632</u>
Average number of full-time employees	<u>5</u>	<u>6</u>

#### 3 Tax on profit/loss for the year

The Company has a deferred tax asset of DKK 2 thousand at 31 December 2018. The tax asset is not recognised in the financial statements as it is unsure whether the assets can be utilized.

Actual tax	<u>161,074</u>	<u>0</u>
	<u>161,074</u>	<u>0</u>

## Financial statements 1 January – 31 December

### Notes

#### 4 Disclosure regarding going concern

The Company is financed by financial support from the parent company.

After the loss for the year of DKK 7,235 thousand and receipt of a grant from the shareholder of DKK 8,643 thousand, the equity amounts to DKK 829 thousand.

The Company has obtained a letter of support from the parent company which in the opinion of the Executive Board and the Board of Directors, will be sufficient to secure sufficient financing of the activities for the next 12 months.

The financial statements for 2018 have therefore been prepared on the basis of going concern.

#### 5 Contractual obligations, contingencies, etc.

Remaining operating lease obligations at the balance sheet date fall due at DKK 47 thousand within 1 year (2017: DKK 46 thousand).

#### 6 Related party disclosures

##### Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Eignarhaldsfélagið Lyng ehf, Iceland