

# Pierre Fabre Dermo-Cosmétique Nordic A/S

Vandtårnsvej 62A, 2E, 2860 Søborg

CVR no. 36 89 89 25

Annual report 2019

Approved at the Company's annual general meeting on 29 May 2020

Chairman:

DocuSigned by:  
*Giuseppe MELE*  
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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Pierre Fabre Dermo-Cosmétique Nordic A/S for the financial year 1 January - 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Søborg, 29 May 2020

Executive Board:

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Elisabeth Anne Halvorsen  
Director

Board of Directors:

DocuSigned by:



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Giuseppe Mele  
Chairman

DocuSigned by:



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Xavier Pierre Benoist

DocuSigned by:



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Elisabeth Anne Halvorsen

DocuSigned by:



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Frans Blach Rossen

## Independent auditor's report

To the shareholder of Pierre Fabre Dermo-Cosmétique Nordic A/S

### Opinion

We have audited the financial statements of Pierre Fabre Dermo-Cosmétique Nordic A/S for the financial year 1 January - 31 December 2019, which comprise 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 financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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.

### 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 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 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 the 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 Company's internal control.

## Independent auditor's report

- ▶ 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 note 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 29 May 2020

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Alex Petersen

State Authorised Public Accountant

mne28604

## Management's review

### Company details

Name	Pierre Fabre Dermo-Cosmétique Nordic A/S
Address, Postal code, City	Vandtårnsvej 62A, 2E, 2860 Søborg
CVR no.	36 89 89 25
Established	18 May 2015
Registered office	Søborg
Financial year	1 January - 31 December
Board of Directors	Giuseppe Mele, Chairman Xavier Pierre Benoist Elisabeth Anne Halvorsen Frans Blach Rossen
Executive Board	Elisabeth Anne Halvorsen, Director
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management's review

### Financial highlights

DKK'000	2019	2018	2017	2016	2015
<b>Key figures</b>					
Revenue	158,161	157,520	118,403	72,146	0
Gross profit	59,742	55,571	28,041	21,981	-1,333
Operating profit/loss	6,944	6,889	-8,151	2,352	-1,571
Net financials	-86	819	-1,924	-646	-31
<b>Profit for the year</b>	<b>5,145</b>	<b>6,059</b>	<b>-7,791</b>	<b>1,199</b>	<b>-1,602</b>
<b>Fixed assets</b>					
Fixed assets	18,811	30,487	40,803	51,094	699
Non-fixed assets	54,117	50,675	55,626	41,086	43,499
<b>Total assets</b>	<b>72,928</b>	<b>81,162</b>	<b>96,429</b>	<b>92,180</b>	<b>44,198</b>
Investment in property, plant and equipment	376	1,151	891	703	501
Share capital	11,150	11,150	11,150	11,150	11,150
<b>Equity</b>	<b>14,160</b>	<b>9,015</b>	<b>2,956</b>	<b>10,747</b>	<b>9,548</b>
<b>Financial ratios</b>					
Operating margin	4.4%	4.4%	-6.9%	3.3 %	0.0 %
Return on assets	9.0%	7.8%	-8.6%	3.4%	-3.6%
Return on equity	44.4%	101.2%	-113.7%	11.8%	-16.8%
<b>Average number of employees</b>					
Average number of employees	61	57	34	15	0

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations. For terms and definitions, please see the accounting policies.

## Management's review

### Business review

The Company's primary activity has, in line with previous years, consisted of sale of Pierre Fabre Dermo-cosmetics products and medical devices to pharmacies, in Denmark, Norway and Finland.

Effective 1 January 2016, the Company reacquired the rights to sell Pierre Fabre products in Denmark. The consideration for the reacquired rights consists of an upfront payment and contingent payments based on future sales.

In 2016, the Company has entered into an agreement to reacquire the right to sell Pierre Fabre Dermo-cosmetics products in Norway, effective from 1 January 2017.

Effective from 1 January 2018, the Company has taken over the distribution of Pierre Fabre Dermo-cosmetics products in Finland.

### Financial review

The income statement for 2019 shows a profit of DKK 5,145 thousand against a profit of DKK 6,059 thousand last year, and the balance sheet at 31 December 2019 shows equity of DKK 14,160 thousand. In 2019, the Company's revenue amounted to DKK 158,161 thousand against DKK 157,520 thousand last year.

Management considers the Company's financial performance in the year satisfactory.

Management will continue investing in expanding the business in the Nordic countries, and expects a profit for 2020.

### Events after the balance sheet date

COVID-19 epidemia starting early 2020 is expected to have some impact on the PFDC business and revenue in Nordic countries. Exact impact on Pierre Fabre Dermo-Cosmétique Nordic A/S will be determined by the length of the epidemia and restrictions in health care and in Nordic countries.

### Outlook

The Company's revenue for 2020 is expected to decrease up to -4% compared to 2019 due to the Covid-19 situation. On this basis, a profit in the range of DKK 5,000 - 6,000 thousand is expected for 2020. The expectations are based on the assumption that the exchange rates for the currencies to which the Company is exposed will remain unchanged. Cash generated from operations is expected to be neutral.



## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2019	2018
	<b>Revenue</b>	158,161	157,520
	Cost of sales	-43,829	-46,047
	Other external expenses	-54,590	-55,902
	<b>Gross profit</b>	59,742	55,571
2	Staff costs	-40,785	-36,705
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-12,013	-11,977
	<b>Profit before net financials</b>	6,944	6,889
3	Financial income	963	1,526
4	Financial expenses	-1,049	-707
	<b>Profit before tax</b>	6,858	7,708
5	Tax for the year	-1,713	-1,649
	<b>Profit for the year</b>	5,145	6,059

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	<u>2019</u>	<u>2018</u>
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
6	<b>Intangible assets</b>		
	Acquired intangible assets	20	46
	Goodwill	16,290	27,506
		<u>16,310</u>	<u>27,552</u>
7	<b>Property, plant and equipment</b>		
	Fixtures and fittings, other plant and equipment	1,921	2,019
		<u>1,921</u>	<u>2,019</u>
8	<b>Investments</b>		
	Deposits, investments	580	916
		<u>580</u>	<u>916</u>
	<b>Total fixed assets</b>	<u>18,811</u>	<u>30,487</u>
	<b>Non-fixed assets</b>		
	<b>Inventories</b>		
	Finished goods and goods for resale	20,859	15,980
		<u>20,859</u>	<u>15,980</u>
	<b>Receivables</b>		
	Trade receivables	20,644	25,277
	Receivables from group enterprises	0	419
10	Deferred tax assets	2,629	1,306
	Prepayments	647	212
		<u>23,920</u>	<u>27,214</u>
	<b>Cash</b>	<u>9,338</u>	<u>7,481</u>
	<b>Total non-fixed assets</b>	<u>54,117</u>	<u>50,675</u>
	<b>TOTAL ASSETS</b>	<u>72,928</u>	<u>81,162</u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	<u>2019</u>	<u>2018</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
9	Share capital	11,150	11,150
	Retained earnings	3,010	-2,135
	<b>Total equity</b>	<u>14,160</u>	<u>9,015</u>
	<b>Liabilities other than provisions</b>		
11	<b>Non-current liabilities other than provisions</b>		
	Payables to group enterprises	16,599	30,213
	Other payables	9,074	14,023
		<u>25,673</u>	<u>44,236</u>
	<b>Current liabilities other than provisions</b>		
11	Short-term part of long-term liabilities other than provisions	5,011	5,797
	Trade payables	8,407	2,826
	Payables to group enterprises	8,196	5,140
	Corporation tax payable	1,295	309
	Other payables	10,186	13,839
		<u>33,095</u>	<u>27,911</u>
	<b>Total liabilities other than provisions</b>	<u>58,768</u>	<u>72,147</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>72,928</u>	<u>81,162</u>

- 1 Accounting policies
- 12 Contractual obligations and contingencies, etc.
- 13 Collateral
- 14 Related parties
- 15 Appropriation of profit

**Financial statements 1 January - 31 December****Statement of changes in equity**

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2019	11,150	-2,135	9,015
15	Transfer, see "Appropriation of profit"	0	5,145	5,145
	Equity at 31 December 2019	11,150	3,010	14,160

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Pierre Fabre Dermo-Cosmétique Nordic A/S for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying for medium-sized reporting class C entities.

The accounting policies applied by the Company are consistent with those of last year.

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Revenue from sale of goods is recognised when delivery and transfer of rewards and risks to the buyer have taken place and provided that the income can be reliably measured and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

##### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 3-6 years. The amortisation period is based on the length of the Business Transaction Agreement earn-out period.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Goodwill	3-6 years
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Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	3-5 years
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Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 6 years. The amortisation period is based on the length of the BTA earn-out period.

Other intangible assets include other acquired intangible rights, including software licences and distribution rights.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

##### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Equity

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the Company is liable for payment of the jointly taxed entities' income taxes vis à vis the tax authorities as the jointly taxed entities pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

##### Liabilities

Liabilities are measured at net realisable value.

##### Financial ratios

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$



## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	2019	2018	
<b>2 Staff costs</b>			
Wages/salaries	35,302	32,117	
Pensions	3,007	2,554	
Other social security costs	1,278	1,191	
Other staff costs	1,198	843	
	<u>40,785</u>	<u>36,705</u>	
Average number of full-time employees	<u>61</u>	<u>57</u>	
By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.			
<b>3 Financial income</b>			
Realized exchange rate adjustments	0	172	
Unrealized exchange rate adjustments	0	89	
Other financial income	963	1,265	
	<u>963</u>	<u>1,526</u>	
<b>4 Financial expenses</b>			
Interest expenses, group entities	339	538	
Realized exchange rate adjustments	439	0	
Unrealized exchange rate adjustments	42	0	
Other financial expenses	229	169	
	<u>1,049</u>	<u>707</u>	
<b>5 Tax for the year</b>			
Estimated tax charge for the year	2,462	1,249	
Deferred tax adjustments in the year	-749	847	
Tax adjustments, prior years	0	-447	
	<u>1,713</u>	<u>1,649</u>	
<b>6 Intangible assets</b>			
DKK'000	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2019	137	57,482	57,619
Additions	19	0	19
Cost at 31 December 2019	<u>156</u>	<u>57,482</u>	<u>57,638</u>
Impairment losses and amortisation at 1 January 2019	91	29,976	30,067
Amortisation for the year	45	11,216	11,261
Impairment losses and amortisation at 31 December 2019	<u>136</u>	<u>41,192</u>	<u>41,328</u>
Carrying amount at 31 December 2019	<u>20</u>	<u>16,290</u>	<u>16,310</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 7 Property, plant and equipment

DKK'000	<u>Fixtures and fittings, other plant and equipment</u>
Cost at 1 January 2019	3,262
Additions	376
Disposals	-23
Cost at 31 December 2019	<u>3,615</u>
Impairment losses and depreciation at 1 January 2019	1,243
Depreciation	451
Impairment losses and depreciation at 31 December 2019	<u>1,694</u>
<b>Carrying amount at 31 December 2019</b>	<b><u>1,921</u></b>
Depreciated over	<u>3-5 years</u>

#### 8 Investments

DKK'000	<u>Deposits, investments</u>
Cost at 1 January 2019	916
Disposals	-336
Cost at 31 December 2019	<u>580</u>
<b>Carrying amount at 31 December 2019</b>	<b><u>580</u></b>

#### 9 Share capital

Analysis of the share capital:

11,150 shares of DKK 1,000.00 nominal value each	<u>11,150</u>	<u>11,150</u>
	<u>11,150</u>	<u>11,150</u>

All shares rank equally.

The Company's share capital has remained DKK 11,150 thousand over the past 5 years.

DKK'000	<u>2019</u>	<u>2018</u>
<b>10 Deferred tax</b>		
Deferred tax at 1 January	-1,306	-2,153
Adjustment of the deferred tax charge for the year	-1,323	847
<b>Deferred tax at 31 December</b>	<b><u>-2,629</u></b>	<b><u>-1,306</u></b>

At 31 December 2019, deferred tax relates to intangible assets and property, plant and equipment.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 11 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2019	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Payables to group enterprises	16,599	0	16,599	0
Other payables	14,085	5,011	9,074	0
	<u>30,684</u>	<u>5,011</u>	<u>25,673</u>	<u>0</u>

Other payables consist of Holiday pay earned during the period 1. September to 31. December 2019 of DKK 851 thousand and Earnout consisting of DKK 8,223 thousand.

#### 12 Contractual obligations and contingencies, etc.

##### Other financial obligations

Other rent and lease liabilities:

DKK'000	2019	2018
Rent and lease liabilities	<u>11,654</u>	<u>9,628</u>

#### 13 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2019.

#### 14 Related parties

##### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Pierre Fabre Dermo-Cosmétique S.A.S.	Boulogne, France	45 Place Abel Gance, 92100 Boulogne, France

##### Related party transactions

Pierre Fabre Dermo-Cosmétique Nordic A/S was engaged in the below related party transactions:

DKK'000	2019	2018
Purchase from group enterprises	44,581	33,207
Sale to group enterprises, including re invoicing of costs	2,676	1,528
Interest expenses paid to group enterprises	339	538
Receivables from group enterprises	0	419
Payables to group enterprises	24,795	35,353

DKK'000	2019	2018
15 Appropriation of profit		
Recommended appropriation of profit		
Retained earnings	<u>5,145</u>	<u>6,059</u>
	<u>5,145</u>	<u>6,059</u>