

Habico Invest A/S

Energivej 15
5260 Odense S
CVR No. 37408867

Annual report 2021

The Annual General Meeting adopted the
annual report on 24.06.2022

Hans Bøgh-Sørensen

Chairman of the General Meeting

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Entity details

Entity

Habico Invest A/S

Energivej 15

5260 Odense S

Business Registration No.: 37408867

Registered office: Odense

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Ole Michael Friis

Hans Bøgh-Sørensen

Birgitte Bøgh-Sørensen

Executive Board

Peter Brink Madsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Habico Invest A/S for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Odense, 10.06.2022

Executive Board

Peter Brink Madsen

Board of Directors

Ole Michael Friis

Hans Bøgh-Sørensen

Birgitte Bøgh-Sørensen

Independent auditor's report

To the shareholder of Habico Invest A/S

Opinion

We have audited the financial statements of Habico Invest A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Copenhagen, 10.06.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Nikolaj Thomsen

State Authorised Public Accountant
Identification No (MNE) mne33276

Jens Serup

State Authorised Public Accountant
Identification No (MNE) mne45825

Management commentary

Primary activities

Habico Invest A/S is a family office established by Birgitte and Hans Bøgh-Sørensen, who are the founders and owner of Orifarm Group A/S, an ambitious operator in the European market for pharmaceuticals.

Habico Invest A/S invests across a broad range of asset classes including Private Equity, Real Estate, Investment cars and other financial assets both public listed and not listed assets.

Development in activities and finances

The annual result shows a profit of k.DKK 39,800 against a profit of k.DKK 14,549 in 2020.

Outlook

For 2022 Habico Invest A/S expects a similar result to that of 2021 although there is a high degree of uncertainty round this forecast.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluations of this annual report.

Income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Gross profit/loss		(1,928)	(1,472)
Staff costs	2	(2,248)	(3,357)
Operating profit/loss		(4,176)	(4,829)
Income from investments in group enterprises		8,630	(399)
Income from investments in associates		7,929	(10,625)
Other financial income	3	29,678	32,538
Other financial expenses	4	(394)	(1,034)
Profit/loss before tax		41,667	15,651
Tax on profit/loss for the year	5	(1,867)	(1,102)
Profit/loss for the year		39,800	14,549
Proposed distribution of profit and loss			
Retained earnings		39,800	14,549
Proposed distribution of profit and loss		39,800	14,549

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Investments in group enterprises		14,145	5,514
Investments in associates		66,338	54,275
Receivables from associates		0	0
Other investments		118,812	102,791
Financial assets	6	199,295	162,580
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Fixed assets		199,295	162,580
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Manufactured goods and goods for resale		86,040	77,968
Inventories		86,040	77,968
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Receivables from group enterprises		46,632	26,495
Other receivables		2,542	1,396
Income tax receivable		0	346
Receivables		49,174	28,237
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Other investments		54,970	28,942
Other investments		54,970	28,942
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Cash		31,125	32,112
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Current assets		221,309	167,259
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Assets		420,604	329,839

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		500	500
Reserve for net revaluation according to the equity method		10,145	0
Retained earnings		391,728	324,889
Equity		402,373	325,389
Other payables		0	217
Non-current liabilities other than provisions		0	217
Bank loans		13,979	2,371
Trade payables		254	0
Payables to group enterprises		64	0
Income tax payable		1,863	0
Other payables		2,071	1,862
Current liabilities other than provisions		18,231	4,233
Liabilities other than provisions		18,231	4,450
Equity and liabilities		420,604	329,839
Uncertainty relating to recognition and measurement	1		
Fair value information	7		
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
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Statement of changes in equity for 2021

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	500	0	324,889	325,389
Group contributions etc	0	0	37,184	37,184
Transfer to reserves	0	1,515	(1,515)	0
Profit/loss for the year	0	8,630	31,170	39,800
Equity end of year	500	10,145	391,728	402,373

Notes

1 Uncertainty relating to recognition and measurement

Investments consist of shares measured using the equity method or at estimated fair value. The measurement of such investments are based on Management's expectations on future earnings and profits, and therefore exposed with uncertainty.

2 Staff costs

	2021	2020
	DKK'000	DKK'000
Wages and salaries	1,934	3,160
Pension costs	314	197
	2,248	3,357
Average number of full-time employees	3	2

Staff costs has been reduced by k.DKK 2,241 and average number of full-time employees by 2 employees due to Habico Invest A/S providing shared services to other Group entities.

3 Other financial income

	2021	2020
	DKK'000	DKK'000
Financial income from group enterprises	824	367
Exchange rate adjustments	6	78
Fair value adjustments	28,183	31,909
Other financial income	665	184
	29,678	32,538

4 Other financial expenses

	2021	2020
	DKK'000	DKK'000
Financial expenses from group enterprises	0	1
Exchange rate adjustments	9	64
Other financial expenses	385	969
	394	1,034

5 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Current tax	2,169	1,436
Adjustment concerning previous years	(302)	(334)
	1,867	1,102

6 Financial assets

	Investments in group enterprises DKK'000	Investments in associates DKK'000	Receivables from associates DKK'000	Other investments DKK'000
Cost beginning of year	4,000	75,400	625	67,465
Transfers	0	0	0	8,471
Additions	0	4,134	0	25,158
Disposals	0	0	0	(32,807)
Cost end of year	4,000	79,534	625	68,287
Revaluations beginning of year	1,514	0	0	35,326
Transfers	0	0	0	(8,471)
Share of profit/loss for the year	8,631	0	0	0
Fair value adjustments	0	0	0	23,670
Revaluations end of year	10,145	0	0	50,525
Impairment losses beginning of year	0	(21,125)	(625)	0
Fair value adjustments	0	7,929	0	0
Impairment losses end of year	0	(13,196)	(625)	0
Carrying amount end of year	14,145	66,338	0	118,812

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Habico Invest II ApS	Denmark	ApS	100.00
Habico Invest III ApS	Denmark	ApS	100.00

Investments in associates	Registered in	Corporate form	Equity interest %
New Start 1 ApS	Denmark	ApS	25.00
MidCap T ApS	Denmark	ApS	38.60

7 Fair value information

	Unlisted investments and securities DKK'000	Listed investments and securities DKK'000
Fair value end of year	118,811	54,970
Unrealised fair value adjustments recognised in the income statement	20,866	(1,463)

Unlisted investments and securities

Investments in unlisted investments and securities consist of holdings in unlisted companies as well private equity funds, where the underlying investments are recognized at fair value per 31 December 2021. The fair value of the investments and securities is determined as the Company's relative share of the equity in investments less any write-downs.

Listed investments and securities

The fair value of the Company's listed securities is determined using the price per. 31 December 2021.

8 Unrecognised rental and lease commitments

	2021 DKK'000	2020 DKK'000
Liabilities under rental or lease agreements until maturity in total	7,345	154

9 Contingent liabilities

The Company has engaged to subscribe for further capital in investment funds totalling a maximum of kDKK 46.922.

The Entity participates in a Danish joint taxation arrangement where HBS Capital ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities,

10 Related parties with controlling interest

Related parties with controlling interest in Habico Invest A/S:

- Habico A/S, Central Business Registration No. 75 12 85 17, Odense (Parent Company)
- Hans Bøgh-Sørensen, Odense, Ultimate Beneficial Owner

All transactions with related parties are carried out on arms length.

11 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group: HBS Capital ApS, Energivej 15, 5260 Odense S, Denmark, Central Business Registration No. 41 00 08 80.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: HBS Capital ApS, Energivej 15, 5260 Odense S, Denmark, Central Business Registration No. 41 00 08 80.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses for administration etc.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Income from investments in associates

Income from investments in associates entities are allocated to the company's strategic portfolio and comprises the proportionate share of profit/loss after tax and any adjustment of internal profit/loss and less amortization of consolidated goodwill.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, realised and unrealised gains and losses on other investments, net capital or exchange gains on securities, payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, realized and unrealized gains and losses on other investments, net capital or exchange losses on securities, payables and transactions in foreign currencies.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group subsidiaries and parent. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

The jointly taxed companies to the rules of section 11B of the Danish Companies Act governing interest deduction limitation. It has been agreed in the joint taxation that reduced interest is recognized in the company in which the interest deduction has been reduced.

Balance sheet

Investments in group enterprises

The company's investments in group enterprises are allocated to the company's strategic portfolio or investment portfolio based on the strategy determined by management for each investment.

Strategic portfolio

Investments allocated to the strategic portfolio are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus amortised goodwill and plus or minus unrealised intra-group profits or losses.

Goodwill is amortised on a straight-line basis over its estimated useful life, which is determined on the basis of an assessment of the nature, earnings, market position of the acquired enterprise, the stability of the industry and among other factors.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises and associated entities measured according to the equity method is transferred to reserve for net revaluation according to the equity method in equity.

Investment portfolio

Investments allocated to the investment portfolio are currently monitored and evaluated based on the development of fair value in accordance with the company's investment strategy. As the company's primary activity is to run investment business, investments allocated to the investment portfolio are measured at fair value and adjusted in the equity.

The valuation is based on internationally accepted valuation methods for private equity. Investments are written down to any lower net realisable value.

Investments in associates

The company's investments in associated entities are allocated to the company's strategic portfolio or investment portfolio based on the strategy determined by management for each investment.

For a description of the investments types see 'Investments in group enterprises'.

Other investments

Investments allocated to the investment portfolio are currently monitored and evaluated based on the development of fair value in accordance with the company's investment strategy. As the company's primary activity is to run investment business, investments allocated to the investment portfolio are measured at fair value and adjusted in the equity.

The valuation is based on internationally accepted valuation methods for private equity. Investments are written down to any lower net realisable value.

Inventories

Inventories are measured at the lower of cost or net realisable value.

Receivables

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

Tax payable or receivable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax.

Other investments

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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