

# Baxter A/S

Tobaksvejen 2 A  
2860 SØBORG

CVR-nr. 72 24 60 12

## *Annual Report for 2020*

*The Annual Report has been presented and  
adopted at the Annual General Meeting of the  
Company on 16 June 2021*

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Glenn Noer  
Chairman

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## Management's Statement

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Baxter A/S for the financial year 1 January - 31 December 2020.

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 at 31 December 2020 of the Company and of the results of the Company operations for 2020.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review. We recommend that the Annual Report be adopted at the Annual General Meeting.

*Gladsaxe, 16 June 2021*

### ***Supervisory Board***

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Glenn Noer

*Also as managing director*

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Magnus Lindholm

*Chairman*

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Jon Uguzne Garay Alonso

# Independent Auditor's Report

To the Shareholders of Baxter A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Baxter A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("financial statements").

## 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on 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 Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

## 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 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 it 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 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.

Hellerup, 16 June 2021

PricewaterhouseCoopers  
CVR-nr. 33 77 12 11

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Torben Jensen  
State Authorized Public Accountant  
MNE-nr. 18651

## **Company Information**

### **The Company**

Baxter A/S  
Tobaksvejen 2A  
2860 SØBORG

### **Telephone**

+45 48 16 64 00

### **Telefax**

+45 48 16 64 64

### **Website**

[www.baxter.dk](http://www.baxter.dk)

### **Company Registration No.**

72 24 60 12

### **Financial Year**

1 January — 31 December

### **Municipality of Registration Office**

Gladsaxe

### **Supervisory Board**

Glenn Noer - Managing Director of Denmark  
Magnus Lindholm - General Manager Nordic & Managing Director for Sweden  
Jon Uguzne Garay Alonso - Financial Director for Nordic

### **Executive Board**

Glenn Noer

### **Lawyers**

Kromann Reumert  
Sundkrogsgade 5  
DK-2100 Copenhagen

### **Auditors**

PricewaterhouseCoopers  
Strandvejen 44  
DK-2900 Hellerup

## **Management's Review**

In the opinion of the Supervisory and Executive Board, all information material to the assessment of the company's financial position, the result for the year and the financial development is disclosed in the annual financial statements and in this report.

## **Main Activity of the Company**

The company has its domicile in Copenhagen. The business concept is selling and distributing pharmaceuticals and medical devices.

The company is part of a European organization. The Danish company consists of two market division (Hospital and Renal) and administrative support functions.

## **Development in the Year**

In the annual report for 2020, Baxter show a stable development from previous year despite the COVID19 being fully present in Denmark. Baxter has successfully maintained supply lines and supported the Danish hospitals with existing needs as well as selected critical products for the fight against COVID19. The Nordic structure continues to work according to plan with increased focus on additional products and services increasing our opportunities for continued growth in the Danish market.

The operating profit amounts to DKK 5,571,268 compared to 2019 DKK 5,584,301 and the profit after financial income and expenses amounts to DKK 5,511,454 compared to 2019 DKK 5,508,416.

## **Ownership**

### **Baxter A/S Hierarchy appears as follows**

Baxter International Inc.  
Baxter World Trade Corporation  
Baxter Sales and Distribution LLC  
Baxter Global Holdings II Inc.  
Baxter Holding B.V.  
Baxter Foreign Holdings Limited  
Baxter Healthcare Holding Limited  
Baxter Europe Holdings Limited  
Baxter Netherlands Holding B.V.

Baxter A/S is wholly owned by Baxter Netherlands Holding B.V.

## **Subsequent Events**

Baxter A/S has been exposed to risks associated with public health crisis and pandemic/epidemics, such as COVID-19. As a result, given the rapid and evolving nature of the virus, COVID-19 could negatively affect Baxter A/S performance and it is uncertain how COVID-19 will affect Baxter AS operations generally if these impacts persist or exacerbate over an extended period of time.



## **Accounting Policies**

### **Basis of Preparation**

The Annual Report of Baxter A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are unchanged compared to prior years.

### **Recognition and Measurement**

All revenues based on the underlying trade sales are recognized in the income statement as earned based on the following criteria:

- delivery has been made before year end,
- a binding sales agreement has been made,
- the sales price has been determined, and
- payment has been received at the time of sale or may with reasonable certainty be expected to be received.

Based on the above, revenues are recognized in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities measured at fair value or amortized cost. Furthermore, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortized cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortized cost is calculated as original cost less any deductions and with addition/deduction of the cumulative amortization of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

### **Translation Policies**

Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognized in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognized in financial income and expenses in the income statement.

## **Corporation Tax and Deferred Tax**

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognized in the income statement, whereas the tax attributable to equity entries is recognized directly in equity.

Current tax liabilities and current tax receivable are recognized in receivables in the balance sheet in the event of overpayment of tax on account, and in debt in the event of underpayment of tax on account.

## **Corporation Tax and Deferred Tax (continued)**

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realized by elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement.

## **Income Statement**

### **Revenue / Commission**

During the whole of 2020 Baxter A/S has received commission from sale of products from the two business units. The commission is included in the income statement under net turnover.

Revenue from the sale of hardware and spare parts is recognized in the income statement. Revenue is recognized exclusive of VAT.

### **Other Operating Income**

Other operating income comprises income of a secondary nature compared to the core activities of the Company.

### **Cost of Goods Sold**

Cost of goods sold comprise the cost consumed to achieve revenue for hardware and spare parts.

### **Other External Expenses**

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

### **Staff Expenses**

Staff expenses comprise wages and salaries as well as payroll expenses.

### **Amortization and Depreciation**

Amortization and depreciation comprise amortization and depreciation of tangible fixed assets.

## **Financial Income and Expenses**

Financial income and expenses comprise interest and realized and unrealized exchange adjustments.

## **Balance Sheet**

### **Fixed Assets**

Fixed assets are measured at cost less accumulated depreciation.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Equipment and machinery	3-10 years
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Gains and losses on current replacement of equipment and machinery are recognized in "Other external expenses".

### **Impairment of Fixed Assets**

The carrying amounts of equipment and machinery are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation. If so, the asset is written down to its lower recoverable amount. The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets should be assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

### **Stocks**

Stocks are measured at the lower of cost under the FIFO method and net realizable value. The net realizable value of stocks is calculated as the total of future sales revenues expected, at the balance sheet date, to be generated by stocks in the process of normal operations and determined allowing for marketability, obsolescence and development in expected sales sum less the estimated expenses necessary to make the sale.

The cost of goods for resale equals landed cost.

### **Trade Debtors**

Trade debtors are recognized in the balance sheet at the lower of amortized cost and net realizable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience.

### **Debts**

Debts are measured at amortized cost, substantially corresponding to nominal value.

## Profit and loss account

	Note	2020 DKK	2019 DKK
<b>Net turnover</b>		<b>57,171,768</b>	<b>59,602,109</b>
Other operating income		17,233,422	11,871,748
Cost of goods sold		(13,213,810)	(8,144,347)
Other external expenses		(18,041,576)	(21,363,410)
<b>Gross profit</b>		<b>43,149,804</b>	<b>41,966,100</b>
Staff expenses	1	(33,126,959)	(31,830,978)
Depreciation and amortization		(4,451,577)	(4,550,821)
<b>Result before financial income/expenses</b>		<b>5,571,268</b>	<b>5,584,301</b>
Financial income	2	24,465	23,142
Financial expenses		(84,279)	(99,027)
<b>Profit before tax</b>		<b>5,511,454</b>	<b>5,508,416</b>
Tax on the profit for the year		(1,241,884)	(1,291,775)
<b>Profit for the year</b>		<b>4,269,570</b>	<b>4,216,641</b>
<b>Distribution of profit</b>			
Result proposed to be distributed as follows :			
Profit for the year		4,269,570	4,216,641
Retained earnings		4,269,570	4,216,641

## Balance Sheet

Assets	Note	2020 DKK	2019 DKK
Equipment and machinery		23,022,247	27,315,396
<b>Tangible fixed assets</b>		<b>23,022,247</b>	<b>27,315,396</b>
<b>Total fixed assets</b>		<b>23,022,247</b>	<b>27,315,396</b>
<b>Stocks</b>		<b>984,762</b>	<b>421,782</b>
Trade debtors		3,452,378	4,099,787
Amounts owed by affiliated companies		47,081,428	38,221,516
Other debtors		660,615	769,133
Prepayments		518,904	496,026
<b>Total debtors</b>		<b>51,713,325</b>	<b>43,586,462</b>
<b>Total current assets</b>		<b>52,698,087</b>	<b>44,008,244</b>
<b>Total assets</b>		<b>75,720,334</b>	<b>71,323,640</b>

## Balance Sheet

<b>Liabilities and shareholder's equity</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>DKK</b>	<b>DKK</b>
Share capital		5,300,000	5,300,000
Result of the year		4,269,570	4,216,641
Retained earnings from previous years		23,116,999	18,900,358
<b>Total shareholder's equity</b>		<b>32,686,569</b>	<b>28,416,999</b>
Provision for deferred tax		1,781,112	1,574,166
Provision for holiday funds payable		-	1,130,535
<b>Other provisions</b>		<b>1,781,112</b>	<b>2,704,701</b>
Trade creditors		2,275,451	1,053,365
Amounts owed to affiliated companies		25,292,105	31,710,623
Cash and bank balances		5,268	51,370
Other liabilities		12,952,892	7,150,451
Tax payable		726,937	236,131
<b>Current liabilities</b>		<b>41,252,653</b>	<b>40,201,940</b>
<b>Total liabilities and shareholder's equity</b>		<b>75,720,334</b>	<b>71,323,640</b>
Other commitments	3		
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## Notes

	<u>2020</u>	<u>2019</u>
	<u>DKK</u>	<u>DKK</u>
<b>1 Staff expenses</b>		
Wages and salaries	30,402,663	29,066,148
Pensions	2,468,590	2,502,105
Other social security costs	255,706	262,725
	<hr/>	<hr/>
<b>Total</b>	<b><u>33,126,959</u></b>	<b><u>31,830,978</u></b>

The average number of full-time employees during the period was 40 compared to 42 in 2019.

With reference to section 98B (3) of the Danish Financial Statements Act, remuneration to Management is not disclosed.

### 2 Financial income

Interest income from affiliated companies amounts to DKK 16k. In 2019 interest from affiliated companies amounted to DKK 10k.

### 3 Other commitments

#### Leasing commitments

The Company has entered into rental and leasing agreements on which the total payments in the remaining period of non-terminability amount to DKK 4,611,231 (DKK 5,233,114 in 2019) including DKK 2,569,270 (DKK 2,740,155 in 2019) for leasehold premises.

## Notes

### 4 Related parties and ownership

#### Determining influence

Baxter Netherlands Holding B.V.

#### Basis

*Parent company*

Baxter International Inc., Illinois, USA

*Ultimate parent company*

#### Other related parties

Magnus Lindholm  
Törnholtsbacken 2  
SE-178 38 Ekerii  
Sverige

*Member of the Supervisory Board*

Glenn Noer  
Mørdrupvej 89 A  
3060 Espergærde, Mørdrup  
Danmark

*Member of the Supervisory Board*

Jon Uguzne Garay Alonso  
Tvedöravägen 1  
SE-247 41 Södra Sandby  
Sverige

*Member of the Supervisory Board*

Baxter Medical AB, Sverige (Sweden)  
Baxter Healthcare SA, Schweiz (Switzerland)  
Baxter Services Europe S.A., Belgien (Belgium)

*Affiliated companies*

#### Ownership

The following stockholders are registered in the list of stockholders as owning minimum 5% of the votes or minimum 5% of the share capital:

Baxter Netherlands Holding B.V.  
Kobaltweg 49  
3542 CE Utrecht  
The Netherlands



## Notes

### 5 Consolidated Financial Statements

The Group Annual Report of Baxter International Inc. may be obtained at the following address:

Baxter International Inc.  
One Baxter Parkway IL  
60015 - 4633  
USA

It is also possible to print the Group Annual report from Baxter's home page at the following address:

[http://www.baxter.com/investors/reports\\_and\\_financials/index.html?WT.svl=www.baxter.dk](http://www.baxter.com/investors/reports_and_financials/index.html?WT.svl=www.baxter.dk)

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## Magnus Lindholm

Bestyrelsesformand

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IP: 165.225.xxx.xxx

2021-06-16 05:45:58Z



## JON UGUZNE GARAY ALONSO

Bestyrelsesmedlem

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2021-06-16 06:24:48Z



## Glenn Noer

Direktør

Serienummer: PID:9208-2002-2-676007446295

IP: 165.225.xxx.xxx

2021-06-16 08:07:36Z



## Glenn Noer

Bestyrelsesmedlem

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IP: 165.225.xxx.xxx

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## Torben Jensen

Statsautoriseret revisor

Serienummer: CVR:33771231-RID:70901412

IP: 83.136.xxx.xxx

2021-06-16 09:08:01Z



## Glenn Noer

Dirigent

Serienummer: PID:9208-2002-2-676007446295

IP: 165.225.xxx.xxx

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