

Orifarm Supply A/S

Energivej 15
5260 Odense S
CVR No. 17153684

Annual report 2024

The Annual General Meeting adopted the
annual report on 05.06.2025

Matias Nørtoft Popp

Chairman of the General Meeting

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Entity details

Entity

Orifarm Supply A/S
Energivej 15
5260 Odense S

Business Registration No.: 17153684
Registered office: Odense
Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Ole Michael Friis, Chairman
Hans Bøgh-Sørensen
Birgitte Bøgh-Sørensen

Executive Board

Mads Fink Eriksen

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 Orifarm Supply A/S for the financial year 01.01.2024 - 31.12.2024.

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 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

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, 05.06.2025

Executive Board

Mads Fink Eriksen

Board of Directors

Ole Michael Friis
Chairman

Hans Bøgh-Sørensen

Birgitte Bøgh-Sørensen

Independent auditor's report

To the shareholder of Orifarm Supply A/S

Opinion

We have audited the financial statements of Orifarm Supply A/S for the financial year 01.01.2024 - 31.12.2024, 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 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 05.06.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Serup

State Authorised Public Accountant
Identification No (MNE) mne45825

Victor Fortmann Storm

State Authorised Public Accountant
Identification No (MNE) mne50626

Management commentary

Financial highlights

	2024	2023	2022	2021	2020
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	10,456,149	8,761,371	8,222,801	8,027,258	7,025,289
Gross profit/loss	581,176	497,824	349,861	342,477	301,666
Operating profit/loss	431,554	375,605	234,616	228,477	233,082
Net financials	(73,601)	(96,755)	(36,769)	(5,912)	(4,255)
Profit/loss for the year	269,398	217,497	154,158	173,585	173,454
Total assets	2,682,167	3,797,096	2,709,702	1,306,292	1,340,868
Inventories	1,528,591	1,350,253	1,235,432	1,082,484	1,116,699
Investments in property, plant and equipment	10	32	320	1,663	3,897
Equity	1,178,008	908,610	691,113	711,955	546,723
Ratios					
Gross margin (%)	5.56	5.68	4.25	4.27	4.29
EBIT margin (%)	4.13	4.29	2.85	2.85	3.32
Net margin (%)	2.58	2.48	1.87	2.16	2.47
Return on equity (%)	25.82	27.19	21.97	27.58	33.06
Equity ratio (%)	43.92	23.93	25.51	54.50	40.77

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

EBIT margin (%):

$\frac{\text{Operating profit/loss} * 100}{\text{Revenue}}$

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Primary activities

Orifarm Supply A/S is part of the Orifarm Group, which is a dynamic international player in the healthcare business.

Orifarm Supply A/S deals with import, repackaging and sale of pharmaceuticals. Pharmaceuticals are bought in EU/EEA members with low prices and then re-packed, imported and sold in other EU/EEA markets with higher prices. Orifarm Health Access is also active in Clinical Trials Supply and sales of Unlicensed pharmaceuticals.

Development in activities and finances

Orifarm Supply A/S's revenue totaled mDKK 10,456 (2023: mDKK 8,761), which primarily consists of sale to group companies.

Orifarm Supply A/S' gross margin decreased to 5.56% and operating profit increased by mDKK 56 to mDKK 432.

Profit/loss for the year in relation to expected developments

The company's results for 2024 are considered satisfactory and better than expected as set out in the financial statement for 2023, mainly due to performance exceeding the expectations.

Outlook

For 2025, Orifarm Supply A/S expects a revenue and operating income in line with 2024 level.

Risk

Operating conditions

To a significant extent, consolidated earnings depend on legislative measures that affect the pricing of pharmaceuticals in both the purchase and the sales countries. Earnings are also affected by measures in the sales countries which are intended to limit the consumption of pharmaceuticals.

For the business area Pharma Trade, it is Orifarm Group's policy to avoid infringing trademark rights, and Orifarm Group is not currently involved in any material pending litigation of this kind.

Financial matters

Orifarm Supply A/S is exposed to fluctuations in foreign exchange rates and interest rate levels. These risks are mitigated in accordance with the Group's policy. Exchange rate risks are primarily related to the currencies SEK, NOK, CZK, and GBP.

Orifarm Supply A/S' financial risks, including its cash management and extension of credits, are managed at a corporate level to ensure a balanced risk profile.

Knowledge resources

At the end of 2024, 159 (2023: 144) employees were primarily engaged in sales & marketing, quality, procurement, portfolio management, facility & service and warehousing.

Environmental performance

Orifarm Supply A/S is a part of Orifarm Group. Reference is made to the Group's statutory statement on CSR for 2024, which is presented in our ESG Report 2024 at www.orifarm.com/publications.

Statutory report on corporate social responsibility

Orifarm Supply A/S is part of Orifarm Group. Reference is made to the Group's statutory statement on CSR for 2024 is presented in our ESG Report 2024, which can be found at www.orifarm.com/publications.

Statutory report on data ethics policy

Orifarm Supply A/S is a part of Orifarm Group. Orifarm Group has decided to publish its statutory report on data ethics with our ESG report 2024. Our ESG reports are available at www.orifarm.com/publications.

Events after the balance sheet date

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

Income statement for 2024

		2024	2023
	Notes	DKK'000	DKK '000
Revenue	1	10,456,149	8,761,371
Cost of sales		(9,814,478)	(8,206,566)
Other external expenses		(60,495)	(56,981)
Gross profit/loss		581,176	497,824
Staff costs	2	(141,810)	(109,039)
Depreciation, amortisation and impairment losses	3	(7,812)	(8,027)
Other operating expenses		0	(5,153)
Operating profit/loss		431,554	375,605
Other financial income	4	99,203	130,145
Other financial expenses	5	(172,804)	(226,900)
Profit/loss before tax		357,953	278,850
Tax on profit/loss for the year	6	(88,555)	(61,353)
Profit/loss for the year	7	269,398	217,497

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Acquired intangible assets		0	74
Goodwill		142,856	150,538
Intangible assets	8	142,856	150,612
Other fixtures and fittings, tools and equipment		46	92
Property, plant and equipment	9	46	92
Fixed assets		142,902	150,704
Raw materials and consumables		969,347	941,601
Manufactured goods and goods for resale		566,903	365,839
Prepayments for goods		8,767	42,813
Inventories		1,545,017	1,350,253
Trade receivables		13,272	27,950
Receivables from group enterprises		977,048	2,261,028
Other receivables		2,049	1,768
Prepayments	10	1,879	1,738
Receivables		994,248	2,292,484
Cash		0	3,655
Current assets		2,539,265	3,646,392
Assets		2,682,167	3,797,096

Equity and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Contributed capital	11	10,000	10,000
Retained earnings		1,074,108	898,610
Proposed dividend		93,900	0
Equity		1,178,008	908,610
Deferred tax	12	16,173	13,518
Provisions		16,173	13,518
Trade payables		305,125	280,114
Payables to group enterprises		827,248	2,443,006
Tax payable		73,772	52,570
Other payables		281,841	99,278
Current liabilities other than provisions		1,487,986	2,874,968
Liabilities other than provisions		1,487,986	2,874,968
Equity and liabilities		2,682,167	3,797,096
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		
Related parties with controlling interest	16		
Group relations	17		

Statement of changes in equity for 2024

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	10,000	898,610	0	908,610
Profit/loss for the year	0	175,498	93,900	269,398
Equity end of year	10,000	1,074,108	93,900	1,178,008

Notes

1 Revenue

Orifarm Supply A/S is importing and selling parallel imported pharmaceuticals. As such the entity only has one segment.

No geographical segment information is disclosed. The information has been omitted, as the information may give rise significant damage to the company, cf. Section 96 (1) of the Danish Financial Statements Act.

2 Staff costs

	2024	2023
	DKK'000	DKK'000
Wages and salaries	130,424	96,656
Pension costs	11,386	12,383
	141,810	109,039
Average number of full-time employees	159	144

Staff costs has been increased by mDKK 45.7 and average number of full-time employees by 108.2 employees due to Orifarm Supply A/S receiving shared services from Other Group entities.

The Board of Directors does not receive remuneration. Pursuant to Section 98b(iii) of the Danish Financial Statements Act, remuneration to the members of the Executive Board is not disclosed.

3 Depreciation, amortisation and impairment losses

	2024	2023
	DKK'000	DKK'000
Amortisation of intangible assets	7,756	7,800
Depreciation of property, plant and equipment	56	227
	7,812	8,027

4 Other financial income

	2024	2023
	DKK'000	DKK'000
Financial income from group enterprises	51,652	78,690
Other interest income	6,579	0
Exchange rate adjustments	40,972	51,455
	99,203	130,145

5 Other financial expenses

	2024	2023
	DKK'000	DKK'000
Financial expenses from group enterprises	128,135	175,265
Other interest expenses	1,653	186
Exchange rate adjustments	43,016	51,449
	172,804	226,900

6 Tax on profit/loss for the year

	2024	2023
	DKK'000	DKK'000
Current tax	76,451	60,434
Change in deferred tax	2,655	1,116
Adjustment concerning previous years	9,449	(197)
	88,555	61,353

7 Proposed distribution of profit and loss

	2024	2023
	DKK'000	DKK'000
Ordinary dividend for the financial year	93,900	0
Retained earnings	175,498	217,497
	269,398	217,497

8 Intangible assets

	Acquired intangible assets	Goodwill
	DKK'000	DKK'000
Cost beginning of year	1,010	186,020
Cost end of year	1,010	186,020
Amortisation and impairment losses beginning of year	(936)	(35,482)
Amortisation for the year	(74)	(7,682)
Amortisation and impairment losses end of year	(1,010)	(43,164)
Carrying amount end of year	0	142,856

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	6,773
Additions	10
Cost end of year	6,783
Depreciation and impairment losses beginning of year	(6,681)
Depreciation for the year	(56)
Depreciation and impairment losses end of year	(6,737)
Carrying amount end of year	46

10 Prepayments

Prepayments consist of expenses paid in advance.

11 Share capital

	Number	Par value DKK'000	Nominal value DKK'000
Shares	10,000	1	10,000
	10,000		10,000

The share capital has not been divided into classes.

12 Deferred tax

	2024 DKK'000	2023 DKK'000
Intangible assets	16,225	14,130
Property, plant and equipment	(466)	(612)
Receivables	414	0
Deferred tax	16,173	13,518

	2024 DKK'000	2023 DKK'000
Changes during the year		
Beginning of year	13,518	12,402
Recognised in the income statement	2,655	1,116
End of year	16,173	13,518

13 Unrecognised rental and lease commitments

	2024	2023
	DKK'000	DKK'000
Liabilities under rental or lease agreements until maturity in total	136	4,324

14 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where HBS Capital ApS serves as 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, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

15 Assets charged and collateral

The Entity has provided guarantees under which the guarantors assume joint and several liability for Group enterprises' net debt with bank and credit institutions. The Group's total net debt in relation to this guarantee is booked at DKK 594.2m per 31 December 2024.

The Entity has pledged inventories of DKK 186.5m as security for bank debt and debt to credit institutions.

The Entity has normal trade obligations on returned goods, and no significant losses are expected.

16 Related parties with controlling interest

All transactions with related parties which are not according with market conditions are conducted on arms length. There have been no such transactions in the financial year.

17 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
HBS Capital ApS, Odense, Central Business Registration Number 41 00 08 80.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Orifarm Group A/S, Odense, Central Business Registration Number 27 34 72 82.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

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

Minor reclassification are performed in comparative figures.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other nonmonetary assets that have been purchased in foreign currencies are translated using historical rates. equity.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

Income statement

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 is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales includes direct and indirect costs incurred to generate revenue. The cost of sales is recognized raw materials, consumables and cost of production staff.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for distribution, sale, advertising, administration, premises etc.

Referring to section 96 (3) in the Danish Financial Statement Act the Entity has decided not to show the fee to auditors. Reference is made to the information for the Group in the consolidated financial statements for Orifarm Group A/S.

Staff costs

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

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as equipment.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

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 subsidiaries. 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 are subject 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 deduction is recognised in the company in which the interest deduction has been reduced.

Balance sheet

Goodwill

Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. The amortisation period used is 20 years.

The determination of the lifetime is decided based on an evaluation of a combined company with Know How, skills and a efficient organization, which is expected to provide development of the business in a long time to come, and because the lifetime of the medical products normally are very long.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Estimated useful lives and residual values are reassessed annually.

Items of equipment are written down to the lower of recoverable amount and carrying amount.

Profit or losses from the sale of equipment are calculated as the difference between selling price less selling cost and carrying amount at the time of sale. Profit and losses are recognized in the income statement.

Inventories

Inventories are measured at the lower of cost using the average price method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

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

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

Referring to section 86 (4) of the Danish Financial Statements Act, Orifarm Supply A/S has not prepared any cash flow statement. Orifarm Supply A/S is included in the consolidated cash flow statement in Orifarm Group A/S.