

BESPAK HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

11 MONTH PERIOD ENDED 31 DECEMBER 2020

Registered No: 03973457



BESPAK HOLDINGS LIMITED

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BESPAK HOLDINGS LIMITED

OFFICERS AND ADVISERS

Directors	Mark Quick Jean Francois Hilaire
Registered Office	Bergen Way North Lynn Industrial Estate King's Lynn Norfolk PE30 2JJ United Kingdom
Registered Number	03973457
Independent Auditor	Ernst & Young LLP Cowley Rd Cambridge United Kingdom CB1 0WZ

BESPAK HOLDINGS LIMITED

STRATEGIC REPORT

The directors present their Strategic report for the 11 month period ended 31 December 2020.

Principal activities, review of business

The Company's principal activity is to act as a holding company.

On 4 February 2020, Consort Medical plc ("Consort") (the Company's parent undertaking) was acquired by Recipharm Holdings Limited, a directly wholly owned subsidiary of Recipharm AB. Further details are given on Recipharm's website. As a result of the acquisition, Consort de-listed from the London Stock Exchange and certain Consort entities brought forward their reporting period to 31 January 2020 instead of their previous 30 April period-end. Due to this change in statutory reporting date, the accounts for the period ending 31 January 2020 covered a period of 9 months. Furthermore, the accounts to 31 December 2020 cover a period of 11 months, with the accounting year now aligned with the remainder of the Recipharm group.

During the period, the Recipharm group completed a legal entity rationalisation project in order to reduce the number of legal entities in the group following the Consort acquisition. As a result, the Company fully impaired its investments in Consort Medical Finance Limited, Consort Medical Finance Ireland Limited and H & M Rubber Co Inc. Subsequently the Company disposed of its investments in Consort Medical Finance Ireland Limited and H & M Rubber Co Inc. when these companies were voluntarily struck off the relevant Company registers in their relevant jurisdictions. As a result of the rationalization project, the Company received dividends of £248,463,000 in the period.

On 20 October 2020 the Company sold its investment in Bespak LLC to another group company, Bespak Europe Limited, with no profit or loss resulting.

Key Performance Indicators

	11 months ended 31 December 2020	9 months ended 31 January 2020
	£000	£000
Dividends received	248,463	-
Impairment of subsidiaries	(207,682)	-
Profit/(loss) after tax	36,839	(139)
Investments	37,670	138,109
Net assets	117,233	107,205

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties.

Foreign exchange risk

The company is exposed to foreign exchange variances on balances payable to and receivable from other group companies. Foreign exchange risk arises when there is volatility in exchange rates which can have a negative impact on the Company's result.

BESPAK HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

Interest rate risk

Interest rate risk relates to changes in LIBOR / EURIBOR, which can impact interest charged on inter-company balances.

Liquidity risk

Liquidity risk relates to the Company's ability to settle its debts as they fall due, however the Company has received a letter of support from its parent company, Recipharm AB.

Tax risk

On 2 April 2019 the European Commission issued a press release announcing the conclusion of its investigation into the UK CFC rules and stating that the finance company exemption is partially justified but represents State Aid if it relates to UK activities. Subsequently HMRC has opened an enquiry into the Group's finance company exemption and has begun proceedings to seek to recover the related funds. For further details, refer to note 8.

Brexit

On 31 January 2020, the United Kingdom (U.K.) formally departed from the E.U., commonly referred to as "Brexit" and then entered into a transition period where it remained in both the E.U. customs union and single market until 31 December 2020. On 24 December 2020, the UK government secured a trade deal with the EU which began on 1 January 2021 when the U.K. formally left the E.U. customs union and single market. The Company has considered the nature and extent of risks and uncertainties arising from the U.K.'s departure from the E.U. and the impact on the future performance and position of the business. The Company does not consider that this has had a significant impact on itself or its subsidiaries' operations and ability to service their supply chains. The Company and its subsidiaries will continue monitor outcomes, assess the impact on the regulatory environment in which they operate, their customers, supply chain and employees and will implement an appropriate response.

COVID-19

On 11 March 2020, the World Health Organisation ('WHO') declared COVID-19 as a pandemic, affecting multiple countries including the UK. The Company has considered the impact of this event on future operating performance and the uncertainties that this may create. There has been no impact to manufacturing capability (of the Company's subsidiaries) during the pandemic and the manufacturing and quality functions have continued to operate on subsidiary sites throughout the lockdown period and beyond. Demand for the pharmaceutical products that the Company group manufactures and supplies have not been adversely impacted by the pandemic as they are used to treat on-going conditions of the patients. As such, the Company's subsidiaries have seen no decline in demand or future forecasts as a result of the pandemic.

The pharmaceutical industry is in most countries prioritised and we as a group are focused on maintaining a reliable supply. We continue to follow all governmental recommendations whilst at the same time working to mitigate any disruptions. As such, the directors do not consider that the COVID-19 pandemic has had a significant impact on the Company or its subsidiaries.

BESPAK HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

Directors' duties in relation to s172 Companies Act 2006

This company is a holding company for the subsidiaries set out in note 9, and has no employees. The company's principle stakeholders are therefore considered to be its shareholders and subsidiaries. The directors consider, that they have acted in the way they believe, in good faith, to promote the success of Bepak Holdings Limited and its subsidiaries for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term,
- the interests of the Company's employees,
- the need to foster the Company's business relationships with suppliers, customers and others,
- the impact of the Company's operations on the community and environment,
- the desirability of the Company maintaining a reputation for high standards of business conduct, and
- the need to act fairly between the shareholders of the Company.

We describe how the directors consider these factors in their decision-making below:

Engagement with shareholders

The Board engages directly with its shareholders on issues as necessary. The legal entity project, being a key project in the period was discussed and agreed with the Company's shareholders and was considered in the best interests of group.

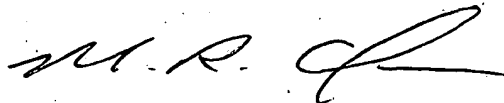
The board considers and discusses information from across the organisation to help it understand the impact of its operations, and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance, as well as information covering areas such as key risks, and legal and regulatory compliance. This information is provided to the Board through reports sent in advance of each Board meeting, and through in-person presentations.

Engagement with subsidiary undertakings

The directors believe that effective communication and proactive engagement with its subsidiaries is paramount in establishing a mutual understanding of objectives. The directors sit on the boards of its subsidiary undertakings. This forms the primary communication between all stakeholders and facilitates effective open, transparent and two-way engagement, any appropriate feedback from which forms part of each board's strategic discussions and which include discussions around transactional agreements, payment of dividends, board appointments and approval of accounts.

As a result of these activities, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

On behalf of the Board



Mark Quick
Director

Date: 22 December 2021

BESPAK HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the Company for the 11 month period ended 31 December 2020.

General information

The Company is a limited company incorporated and domiciled in the United Kingdom.

Directors

The directors of the Company who held office during the period and up to the date of signing the financial statements were as follows:

Thomas Eldered (appointed 4 February 2020, resigned 15 March 2021)
Mark Quick (appointed 4 February 2020)
Jonathan Glenn (resigned 4 February 2020)
Paul Hayes (resigned 4 February 2020)
Jean-Francois Hilaire (appointed 15 March 2021)

Future developments

The company will continue to act as a holding company.

Results and dividends

The Company's profit for the period of £36,839,000 (9 months ended 31 January 2020: loss of £139,000) was transferred to reserves.

Unlawful dividend to shareholder

In October 2020, the Company paid a dividend of £141,745,000 to its shareholder and the directors have subsequently identified that £114,479,000 of this distribution was unlawful. Following the year end, the directors have taken additional steps to rectify the unlawful dividend. On the basis that part of the dividend was unlawful an obligation (the "Liability") was created in the recipient company of the unlawful dividend; Consort Medical Ltd to Bepak Holdings Limited. This obligation has subsequently been settled between Consort Medical Ltd and Bepak Holdings Limited in the following financial year.

The directors rectified the unlawful dividend after the date of these financial statements. The steps undertaken to rectify the unlawful dividend are set out below. In addition, all relevant adjustments have been made in these financial statements and the financial statements of Consort Medical Ltd, in respect of this dividend.

Share capital & premium reduction

On 24 September 2021, Bepak Holdings Limited completed a reduction of its share capital of £8,041,000 and share premium of £108,642,000 (together totaling £116,683,000). This step was required in order to create distributable reserves to facilitate the subsequent steps below which allowed Bepak Holdings Limited to rectify the position created by the unlawful dividend.

Final distribution made to shareholder

Following the share capital and premium reduction described above, the directors undertook the following steps:

1. Declared a final dividend to Consort Medical Ltd in the amount equal to the liability, supported by a shareholder resolution. The act of the final dividend created a debt of £114,479,000 owing by Bepak Holdings Limited to Consort Medical Ltd (the "Debt")

BESPAK HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

2. Entered into a set off arrangement with Consort Medical Ltd such that the Debt and Liability are set-off with each other.

Prior to declaring the final dividend, and it being approved by the shareholder, the directors of the Bespak Holdings Limited have reviewed the latest interim accounts as at 30 November 2021 and considered the profits available for distribution. On the basis that there were sufficient profits available which exceeded the "Liability" amount, the directors have approved the final dividend to be declared and paid.

Political and charitable donations

The Company did not make any political or charitable donations in the period or the prior period.

Financial risk management

The Company is subject to foreign exchange risk on Group balances payable. The Company does not have liquid assets and is dependent upon its parent company for financing requirements. For further details, refer to the Strategic Report.

Directors' indemnities and liability insurance

Qualifying third-party indemnity arrangements are in place for the benefit of directors in a form and scope which comply with the requirements of the Companies Act 2006. The indemnity was in force throughout the financial period and up to the date of approval of the financial statements. Insurance cover is in force in respect of personal liabilities which may be incurred by directors and officers in the course of their service with Recipharm group.

Disclosure of information to auditor

In the case of each director, so far as each is aware, there is no relevant audit information of which the Company's auditor is unaware. Each director has taken all the steps he or she needs to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going concern

The company does not hold cash and hence is reliant on parental support. The going concern review period assessed by the directors is the period to 31 December 2022.

Recipharm AB has provided a support letter to state that it will provide the necessary financial support to enable the company to settle its liabilities as they fall due within the period to 31 December 2022. The directors have made enquiries of Recipharm AB as to its ability to provide this support and are satisfied that Recipharm AB has the resources to do so.

As a result of the above the directors continue to prepare the financial statements on a going concern basis.

Post balance sheet events

EQT Acquisition

On 14 December 2020, EQT IX, through Roar BidCo AB, announced a public offer of SEK 220 in cash per share to the shareholders of Recipharm AB (publ), the Company's ultimate parent undertaking. On 28 January 2021, it was announced that the price in the offer had increased to SEK 232 for each share in Recipharm AB (publ). A revised offer document was published on 28 January 2021 and the acceptance period for the offer expired on 12 February 2021. On 15 February 2021, Roar BidCo announced that the offer was unconditional as they owned 95.1% of the shares in Recipharm AB and initiated a compulsory redemption of the remaining shares. As a result, Recipharm AB delisted from the Nasdaq Stock Exchange and the final day of trading was 5 March 2021.

BESPAK HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

COVID-19

The ongoing COVID-19 pandemic into 2021 has continued to have no significant impact on the Company or its subsidiaries.

Disposal of subsidiary undertakings

On 2 May 2021 the Company disposed of its investment in Consort Medical Finance Limited when that company was voluntarily struck off the UK Companies House Register on that date.

Auditor

During the period Ernst & Young LLP (EY) was appointed as the Company's auditor. A recommendation to re-appoint EY for the coming year will be put to the directors for approval following the signing of these financial statements.

On behalf of the Board



Mark Quick
Director

Date: 22 December 2021

BESPAK HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BESPAC HOLDINGS LIMITED

Opinion

We have audited the financial statements of Bepak Holdings Limited for the period ended 31 December 2020 which comprise the Income Statement, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 31 December 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BESPAC HOLDINGS LIMITED (CONTINUED)

material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 unless the directors either intend to liquidate the company or to cease operations, or have 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 (UK) 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BESPAC HOLDINGS LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework, FRS101, the Companies Act 2006 and the relevant tax laws and regulations in the UK.
- We understood how the company is complying with those frameworks by making enquiries of management to understand how the company maintains and communicates its policies and procedures in those areas. We corroborated our enquiries through review of board minutes, review of correspondence with relevant authorities, as well as consideration of the results of our audit procedures across the company to either corroborate our findings or provide contrary evidence which was followed up.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by understanding which areas of the business present potential fraud risk areas (through assessing the presence of opportunities, incentives or potential rationalisation to commit such acts of fraud), understanding where these risks could present themselves and subsequently identifying the process level controls in place to prevent, or detect and correct them. Combining this with our review of entity level controls, which have evidenced management's behaviour and the culture embedded within the company, we have gained a detailed understanding of the overall susceptibility to fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included: detailed journal entry testing, with a focus on manual journals, corroborating balances where necessary to underlying supporting documentation. We also challenged assumptions and judgements made by management by reviewing third party evidence, including expert reports, wherever possible and discussed these with our internal experts. We read the relevant disclosures in the financial statements to ensure they complied with accounting standards.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Rachel Wilde (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge
Date: 22, December 2021

BESPAK HOLDINGS LIMITED

INCOME STATEMENT

For the 11 month period ended 31 December 2020

	Notes	11 months ended 31 December 2020 £000	9 months ended 31 January 2020 £000
Impairment of investment in subsidiaries	9	(207,682)	-
Exchange (loss) / gain		(2,842)	990
Operating (loss) / profit		(210,524)	990
Investment income	5	248,463	-
Interest payable to parent company	7	(1,117)	(1,069)
Profit / (Loss) on ordinary activities before taxation		36,822	(79)
Tax credit / (charge) on loss on ordinary activities	8	17	(60)
Profit / (Loss) for the financial period		36,839	(139)

STATEMENT OF COMPREHENSIVE INCOME

For the 11 month period ended 31 December 2020

	11 months ended 31 December 2020 £000	9 months ended 31 January 2020 £000
Profit / (Loss) for the financial period	36,839	(139)
Total comprehensive income/ (loss) for the period	36,839	(139)

The gain for the financial period and total comprehensive gain for the period are attributable to the equity owners of the parent.

The accompanying notes on pages 15 to 23 are an integral part of the financial statements.

BESPAK HOLDINGS LIMITED

BALANCE SHEET

As at 31 December 2020

	Notes	As at 31 December 2020 £000	As at 31 January 2020 £000 As restated
Non-current assets			
Investments	9	37,670	138,109
		37,670	138,109
Current assets			
Amounts receivable from parent company	10	137,183	22,783
Amounts receivable from other group companies	10	201	-
Debtors- corporation tax		-	356
		137,384	23,139
Total Assets		175,054	161,248
Current liabilities			
Amounts due to parent company	11	(57,057)	(53,711)
Amounts due to other group companies	11	(322)	(332)
Corporation tax		(442)	-
		(57,821)	(54,043)
Net current assets		79,563	(30,904)
Total liabilities		(57,821)	(54,043)
Net assets		117,233	107,205
Equity			
Called up share capital	12	8,041	7,586
Share premium		108,642	108,642
Profit and loss account		550	(9,023)
Total shareholders' funds		117,233	107,205

The accompanying notes on pages 15 to 23 are an integral part of the financial statements.

The financial statements on pages 12 to 23 were approved by the Board of directors and authorised for issue on 22 December 2021 and signed on its behalf by:



Mark Quick
Director

Registered number: 03973457

BESPAK HOLDINGS LIMITED**STATEMENT OF CHANGES IN EQUITY**

As at 31 December 2020

	Notes	Called up share capital £000	Share premium £000	Profit and loss account £000	Total £000
Balance at 30 April 2019		7,586	108,642	(8,884)	107,344
Loss for the financial period		-	-	(139)	(139)
Balance at 31 January 2020		7,586	108,642	(9,023)	107,205
Profit for the financial period		-	-	36,839	36,839
Dividends paid	6	-	-	(141,745)	(141,745)
Reversal of unlawful element of dividend		-	-	114,479	114,479
Issue of share capital	12	455	-	-	455
Balance at 31 December 2020		8,041	108,642	550	117,233

The accompanying notes on pages 15 to 23 are an integral part of the financial statements.

BESPAK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

General information

Bespak Holdings Limited is a direct wholly owned subsidiary of Consort Medical Limited. Bespak Holdings Limited is incorporated in England and Wales, registered number 03973457. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 2.

Consolidation exemption

The Company is a wholly-owned subsidiary of Recipharm AB and is included in the consolidated financial statements of Recipharm AB, which are publicly available on Recipharm's website. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006.

Prior period restatement

To correct the presentation of intercompany balances, amounts receivable from the company's parent undertaking and amounts payable to the company's parent have been increased by £13.8m to separately present amounts receivable from the company's parent undertaking due to there not being a right of set off. This restatement does not have any impact on the loss for the period ended 31 January 2020 nor on the net assets of the company as at 31 January 2020.

1. Presentation of the financial statements and accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ('FRS101') and the Companies Act 2006.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third statement of financial position)
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirement of IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group whereby a subsidiary who is a party to the transaction is wholly owned by such a member.
- Paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'

BESPAK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Financial reporting period

On 4 February 2020, Consort Medical plc ("Consort") was acquired by Recipharm Holdings Limited, a directly wholly owned subsidiary of Recipharm AB. Further details are given on Recipharm's website. As a result of the acquisition, Consort de-listed from the London Stock Exchange and certain Consort entities brought forward their reporting period to 31 January 2020 instead of their previous 30 April period-end. Due to this change in statutory reporting date, the accounts for the period ending 31 January 2020 covered a period of 9 months. Furthermore, the accounts to 31 December 2020 cover a period of 11 months, with the accounting year now aligned with the remainder of the Recipharm group.

Accounting convention

The financial statements have been prepared using the historic cost convention, as modified by certain financial assets and financial liabilities (including derivative financial instruments) at fair value. The specific accounting policies adopted, which have been approved by the Board, are described within this note and have been applied consistently in all periods presented.

Going concern basis

The company does not hold cash and hence is reliant on parental support. The going concern review period assessed by the directors is the period to 31 December 2022.

Recipharm AB has provided a support letter to state that it will provide the necessary financial support to enable the company to settle its liabilities as they fall due within the period to 31 December 2022. The directors have made enquiries of Recipharm AB as to its ability to provide this support and are satisfied that Recipharm AB has the resources to do so.

As a result of the above the directors continue to prepare the financial statements on a going concern basis.

Investments

Investments are shown at cost less provision in respect of impairments. Impairment write-downs are determined by reference to the higher of the post-tax realisable value of the investment and its ongoing value in use.

Taxation

The charge for current taxation is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using rates that have been enacted, or substantively enacted, by the balance sheet date.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

BESPAK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Foreign currencies

Items included in the financial statements of the Company are measured using that entity's functional currency, which is the currency of the primary economic environment in which the Company operates ('functional currency'). The financial statements are presented in 'Pound Sterling' (£) which is also the company's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Critical accounting estimates and judgements

The Company makes estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

A) Carrying value of intercompany balances

In assessing the carrying value of the Company's intercompany balances, the directors take into account the net assets of the corresponding companies and the trading forecasts of those companies. The trading forecasts contain estimates and assumptions around future profitability and cash generation.

B) Carrying value of investments

In assessing the carrying value of the Company's investments in other group companies, the directors take into account the net assets of the corresponding companies and the trading forecasts of those companies. The trading forecasts contain estimates and assumptions around future profitability and cash generation.

C) Uncertain tax positions

On 2 April 2019 the European Commission issued a press release announcing the conclusion of its investigation into the UK CFC rules and stating that the finance company exemption is partially justified but represents State Aid if it relates to UK activities. Subsequently HMRC has opened an enquiry into the Group's finance company exemption and has begun proceedings to seek to recover the related funds. The directors completed an assessment of the potential liability relating to UK CFC activities and a provision of £0.3m was included in the prior period tax charge. After the period end, in January 2021 the Company received a charging notice from HMRC requiring payment of the maximum potential liability of £1.0m. Whilst this amount was paid to HMRC in February 2021, the Company does not believe that the UK CFC financing benefit received was State Aid. As a result, the Company believes that it is more likely than not that HMRC will be successful in its legal case against the European Commission in 2022 and the full amount of £1.0m will be refunded. On the basis of probabilities in accordance with IFRIC23, the existing provision was increased in December 2020 to £0.4m, representing 40% of the maximum potential liability.

2. Audit fees

The audit fees of the Company of £8,000 (9 month period ended 31 January 2020: £2,500) have been borne by the immediate parent undertaking, Consort Medical Limited.

BESPAK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Employees

The Company had no employees during the period or the prior period.

4. Directors Remuneration

Directors' remuneration is borne by other companies within the Recipharm group and not specifically recharged. The proportion of directors' time spent on this Company is considered negligible and hence their remuneration for qualifying services is deemed to be £nil. Three directors exercised share options in shares of other group undertakings in the current period (period ended 31 January 2020: none). No director received shares for qualifying services to the company in either the current or prior period. No director was accruing benefits (for qualifying services to the Company) under a defined contribution scheme or defined benefit pension scheme in either the current or prior period.

5. Investment income - dividends received

	11 months ended 31 December 2020 £000	9 months ended 31 January 2020 £000
Dividends received from group undertakings	248,463	-

This relates to a dividend received from Consort Medical Finance Ireland Limited of £106.7m and a dividend received from Consort Medical Finance Limited of £141.7m as part of the legal entity rationalization project during the period.

6. Dividends paid

	11 months ended 31 December 2020 £000	9 months ended 31 January 2020 £000
Dividends paid	141,745	-
Reversal of unlawful element of dividend	(114,479)	-
Net dividends paid to parent company	27,266	-

This relates to the transfer of an intercompany balance to Consort Medical Limited as a dividend in-specie as part of the legal entity rationalisation project during the period.

Unlawful dividend to shareholder

In October 2020, the Company paid a dividend of £141,745,000 to its shareholder and the directors subsequently identified that £114,479,000 of this distribution was unlawful. Following the year end, the directors have taken additional steps to rectify the unlawful dividend. On the basis that part of the dividend was unlawful an obligation (the "Liability") was created in the recipient company of the unlawful dividend; Consort Medical Ltd to Bepak Holdings Limited. This obligation has subsequently been settled between Consort Medical Ltd and Bepak Holdings Limited in the following financial year.

BESPAK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

The directors rectified the unlawful dividend after the date of these financial statements. The steps undertaken to rectify the unlawful dividend are set out below. In addition, all relevant adjustments have been made in these financial statements and the financial statements of Consort Medical Ltd, in respect of this dividend.

Share capital & premium reduction

On 24 September 2021, Bepak Holdings Limited completed a reduction of its share capital of £8,041,000 and share premium of £108,642,000 (together totaling £116,683,000). This step was required in order to create distributable reserves to facilitate the subsequent steps below which allowed Bepak Holdings Limited to rectify the position created by the unlawful dividend.

Final distribution made to shareholder

Following the share capital and premium reduction described above, the directors undertook the following steps:

1. Declared a final dividend to Consort Medical Ltd in the amount equal to the liability, supported by a shareholder resolution. The act of the final dividend created a debt of £114,479,000 owing by Bepak Holdings Limited to Consort Medical Ltd (the "Debt")
2. Entered into a set off arrangement with Consort Medical Ltd such that the Debt and Liability are set-off with each other.

Prior to declaring the final dividend, and it being approved by the shareholder, the directors of the Bepak Holdings Limited have reviewed the latest interim accounts as at 30 November 2021 and considered the profits available for distribution. On the basis that there were sufficient profits available which exceeded the "Liability" amount, the directors have approved the final dividend to be declared and paid.

7. Interest payable

	11 months ended 31 December 2020 £000	9 months ended 31 January 2020 £000
Interest payable to parent company	(1,117)	(1,069)

8. Tax on profit on ordinary activities

	11 months ended December 2020 £000	9 months ended 31 January 2020 £000
Current tax		
Current tax of profits in the year	(32)	(92)
Uncertain tax positions	(137)	(50)
Adjustment in respect of prior years	(15)	(117)
Payments for group relief	201	199
Total current tax	(17)	60

BESPAK HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****8. Tax on profit on ordinary activities (continued)****Reconciliation to UK statutory rate**

The tax assessed for the period is lower (9 months ended 31 January 2020: higher) than the standard rate corporation tax in the UK. The differences are explained below.

	11 months ended 31 December 2020 £000	9 months ended 31 January 2020 £000
Profit/(Loss) on ordinary activities before taxation	36,822	(79)
Tax at UK corporation tax rate of 19% (9 months ended 31 January 2020: 19%)	6,996	(15)
Effects of:		
Adjustments in respect of prior years	15	117
Disregard regulations	551	(184)
Non-taxable items (net)	(7,748)	-
Controlled foreign company charge	32	92
Uncertain tax position	137	50
Tax (credit)/charge on profit/(loss) on ordinary activities	(17)	60

Factors affecting future tax charge

On 2 April 2019 the European Commission issued a press release announcing the conclusion of its investigation into the UK CFC rules and stating that the finance company exemption is partially justified but represents State Aid if it relates to UK activities. Subsequently HMRC opened an enquiry into the Group's finance company exemption and begun proceedings to seek to recover the related funds. The directors completed an assessment of the potential liability relating to UK CFC activities and a provision of £0.3m was included in the prior period tax charge. After the period end, in January 2021 the Company received a charging notice from HMRC requiring payment of the maximum potential liability of £1.0m. Whilst this amount was paid to HMRC in February 2021, the Company does not believe that the UK CFC financing benefit received was State Aid. As a result, the Company believes that it is more likely than not that HMRC will be successful in its legal case against the European Commission in 2022 and the full amount of £1.0m will be refunded. On the basis of probabilities in accordance with IFRIC23, the existing provision was increased in December 2020 to £0.4m, representing 40% of the maximum potential liability.

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date.

Deferred Tax

The company has an unrecognized deferred tax asset of £286k (31 January 2020: £286k) relating to capital losses. The asset has not been recognized due to uncertainty over its recoverability.

BESPAK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Investments

Investment in subsidiary companies:

	Cost £000	Provisions £000	Net book value £000
Balance at 1 February 2020	138,109	-	138,109
Capital injection in subsidiaries	107,243	-	107,243
Impairment of investments in subsidiaries	-	(207,682)	(207,682)
Disposals	(87,575)	87,575	-
Balance at 31 December 2020	157,777	(120,107)	37,670

The Company's subsidiaries at the balance sheet date are as follows:

Company	Registered address	% of ordinary shares	Nature of business
Consort Medical Finance Limited	Bergen Way, North Lynn Industrial Estate, King's Lynn, Norfolk, PE30 2JJ, United Kingdom	100	Holding company
Consort Medical SRL	Via Praglia 15, 10044, Pianezza (TO), Italy	100	Holding company
Consort Medical GmbH	Alfred-Nobel Straße 10, 40789, Monheim, Germany	100	Holding company
Aesica Pharmaceuticals SRL	Via Praglia 15, 10044, Pianezza (TO), Italy	100	Finished dose drug manufacture and packaging
Aesica Pharmaceuticals GmbH	Alfred-Nobel Straße 10, 40789, Monheim, Germany	90	Finished dose drug manufacture and packaging

During the period, the Recipharm group completed a legal entity rationalisation project in order to reduce the number of legal entities in the group following the Consort acquisition. As a result, the Company fully impaired its investments in Consort Medical Finance Limited, Consort Medical Finance Ireland Limited and H & M Rubber Co Inc.

During the period the Company disposed of its investments in Consort Medical Finance Ireland Limited and H & M Rubber Co Inc. when these companies were voluntarily struck off the relevant Company registers in their relevant jurisdictions.

On 20 October 2020 the Company sold its investment in Bepak LLC to another group company, Bepak Europe Limited with no resulting profit or loss.

After the balance sheet date, on 2 May 2021, the Company disposed of its investment in Consort Medical Finance Limited when that company was voluntarily struck off the UK Companies House Register.

BESPAK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Amounts receivable from parent company and other group undertakings

Amounts falling due within one year:

	As at 31 December 2020 £000	As at 31 January 2020 £000 As restated
Amounts falling due from parent company	137,183	22,783
Amounts falling due from other group companies	201	-
	<u>137,384</u>	<u>22,783</u>

Amounts due from the parent company; Consort Medical Limited, are interest free and repayable on demand.

Amounts due from other group companies are interest free and repayable on demand.

11. Amounts due to parent company and other group undertakings

Amounts falling due within one year:

	As at 31 December 2020 £000	As at 31 January 2020 £000 As restated
US dollar loan due to parent company	12,555	15,558
GBP loan due to parent company	3,031	364
Euro loan due to parent company	41,471	37,789
	<u>57,057</u>	<u>53,711</u>
Amounts due to other group companies	322	332
	<u>57,379</u>	<u>54,043</u>

The US dollar loan due to the parent company, Consort Medical Limited, is repayable on demand. Interest is payable at LIBOR plus a fixed margin rate.

The GBP loan due to the parent company, Consort Medical Limited, is repayable on demand. The loan is interest free.

The Euro loan due to the parent company, Consort Medical Limited was repayable on 30 April 2020. Interest is payable at EURIBOR plus a fixed margin rate.

Amounts due to another group company, Bespak LLC, are interest free and repayable on demand.

BESPAK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Called up share capital and premium

	As at 31 December 2020 £000	As at 31 January 2020 £000
Allotted, called up and fully paid:		
8,040,811 (31 January 2020: 7,586,100) ordinary shares of £1 each	8,041	7,586

The ordinary shares hold full voting and dividend rights.

During the period 454,711 ordinary shares of £1 each were issued to the company's immediate parent company in return for the settlement of an intercompany loan balance between Consort Medical Limited and one of the company's subsidiaries, Consort Medical Finance Limited. This transaction was carried out as part of the group's legal entity rationalisation project.

13. Parent undertaking, controlling party and related party transactions

The immediate parent undertaking is Consort Medical Limited, which owns 100% of the Company's share capital. The Company's ultimate parent undertaking and controlling party at the balance sheet date was Recipharm AB and consolidated group financial statements, which include Bespak Holdings Limited, are available from Recipharm AB's registered office at Drottninggatan 29, Box 603, 101 32 Stockholm, Sweden. Since the 31 December 2020, EQT IX has become the ultimate parent undertaking and controlling party as a result of the acquisition detailed in note 14.

The company has taken advantage of the exemptions available in paragraph 8(k) of FRS 101 as to the disclosure of transactions with group entities because the company's financial position and financial performance are included in the consolidated financial statements of Recipharm AB.

14. Events after the reporting period

EQT Acquisition

On 14 December 2020, EQT IX, through Roar BidCo AB, announced a public offer of SEK 220 in cash per share to the shareholders of Recipharm AB (publ), the Company's ultimate parent undertaking. On 28 January 2021, it was announced that the price in the offer had increased to SEK 232 for each share in Recipharm AB (publ). A revised offer document was published on 28 January 2021 and the acceptance period for the offer expired on 12 February 2021. On 15 February 2021, Roar BidCo announced that the offer was unconditional as they owned 95.1% of the shares in Recipharm AB and initiated a compulsory redemption of the remaining shares. As a result, Recipharm AB delisted from the Nasdaq Stock Exchange and the final day of trading was 5 March 2021.

COVID-19

The ongoing COVID-19 pandemic into 2021 has continued to have no significant impact on the Company or its subsidiaries.

Disposal of subsidiary undertakings

On 2 May 2021 the Company disposed of its investment in Consort Medical Finance Limited when that company was voluntarily struck off the UK Companies House Register on that date.