

# Paranova Pack A/S

Stationsalleen 42 1, 2730 Herlev  
CVR no. 29 43 16 12

## Annual report for 2023

Årsrapporten er godkendt på den  
ordinære generalforsamling, d. 03.06.24

Erik Bernhard Pfeiffer  
Dirigent



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**The company**

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Paranova Pack A/S  
Stationsalleen 42 1  
2730 Herlev  
Tel.: 44 66 32 00  
Registered office: Herlev  
CVR no.: 29 43 16 12  
Financial year: 01.01 - 31.12

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**Executive Board**

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Dirk Andreas Oltersdorf

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**Board of Directors**

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Erik Bernhard Pfeiffer  
Dirk Andreas Oltersdorf  
Hans-Joachim Oltersdorf

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**Auditors**

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Beierholm  
Statsautoriseret Revisionspartnerselskab

## **Statement by the Executive Board and Board of Directors on the annual report**

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We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Paranova Pack A/S.

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 company's assets, liabilities and financial position as at 31.12.23 and of the results of the company's activities for the financial year 01.01.23 - 31.12.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Herlev, June 3, 2024

### **Executive Board**

Dirk Andreas Oltersdorf

### **Board of Directors**

Erik Bernhard Pfeiffer  
Chairman

Dirk Andreas Oltersdorf

Hans-Joachim Oltersdorf

**To the Shareholder of Paranova Pack A/S****Opinion**

We have audited the financial statements of Paranova Pack A/S for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including 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 company's financial position at 31.12.23 and of the results of the company's operations for the financial year 01.01.23 - 31.12.23 in accordance with the Danish Financial Statements Act.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company 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.

**Statement on the management's review**

Management is responsible for the management's review.

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

In connection with our audit of the financial statements, it is our responsibility 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 Financial Statements Act.

Based on the work we have performed, we conclude that the management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the 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 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- 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.

Soeborg, Copenhagen, June 3, 2024

**Beierholm**

Statsautoriseret Revisionspartnerselskab  
CVR no. 32 89 54 68

Jan Nygaard

State Authorized Public Accountant  
MNE-no. mne11743

**Primary activities**

The company's activities comprise wholesale of pharmaceuticals and healthcare products.

The company is the operational company within the Paranova Group.

**Development in activities and financial affairs**

The income statement for the period 01.01.23 - 31.12.23 shows a profit/loss of DKK 16,982k against DKK -54,514k for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 14,918k.

The management considers the net result for the year to be satisfying under the market conditions present in 2023.

The earning expectations for 2023 were a result of kDKK 0, with a budgeted decrease of turnover in the Nordic markets due to a minor tender business. Except for the result of the discontinued activities regarding the Swedish market and the other operating income as described in Note 1, the expectation was almost met.

The revenue in the Danish market has been significantly reduced in order to focus on profitable products.

The revenue in the German market was significantly improved.

*Information on going concern*

The company's has regained its equity due to the strong result of the year.

Against this background, the annual accounts have been prepared under the assumption of going concern.



## Income statement

Note	2023 DKK '000	2022 DKK '000
<b>Revenue</b>	<b>1,416,598</b>	<b>1,748,809</b>
Other operating income	26,760	2,265
Cost of sales	-1,354,762	-1,733,559
Other external expenses	-38,578	-23,094
<b>Gross result</b>	<b>50,018</b>	<b>-5,579</b>
<sup>2</sup> Staff costs	-24,399	-26,239
<b>Profit/loss before depreciation, amortisation, write-downs and impairment losses</b>	<b>25,619</b>	<b>-31,818</b>
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-1,581	-1,640
Other operating expenses	-1	0
<b>Operating profit/loss</b>	<b>24,037</b>	<b>-33,458</b>
Financial income	2,411	1,139
<sup>3</sup> Financial expenses	-9,466	-9,325
<b>Profit/loss before tax</b>	<b>16,982</b>	<b>-41,644</b>
<sup>4</sup> Tax on profit or loss for the year	0	-12,870
<b>Profit/loss for the year</b>	<b>16,982</b>	<b>-54,514</b>
<b>Proposed appropriation account</b>		
Retained earnings	16,982	-54,514
<b>Total</b>	<b>16,982</b>	<b>-54,514</b>

<b>ASSETS</b>		31.12.23	31.12.22
Note		DKK '000	DKK '000
	Acquired rights	1,467	1,473
5	<b>Total intangible assets</b>	<b>1,467</b>	<b>1,473</b>
	Other fixtures and fittings, tools and equipment	682	791
6	<b>Total property, plant and equipment</b>	<b>682</b>	<b>791</b>
7	Deposits	235	226
	<b>Total investments</b>	<b>235</b>	<b>226</b>
	<b>Total non-current assets</b>	<b>2,384</b>	<b>2,490</b>
	Raw materials and consumables	509	1,244
	Manufactured goods and goods for resale	37,367	64,149
	<b>Total inventories</b>	<b>37,876</b>	<b>65,393</b>
	Trade receivables	2,970	2,781
	Receivables from group enterprises	124,255	24
	Deferred tax asset	1,517	0
	Other receivables	6,520	22,076
	Prepayments	2,180	1,393
	<b>Total receivables</b>	<b>137,442</b>	<b>26,274</b>
	<b>Cash</b>	<b>1,657</b>	<b>235</b>
	<b>Total current assets</b>	<b>176,975</b>	<b>91,902</b>
	<b>Total assets</b>	<b>179,359</b>	<b>94,392</b>

<b>EQUITY AND LIABILITIES</b>		31.12.23	31.12.22
		DKK '000	DKK '000
Note			
	Share capital	500	500
	Retained earnings	14,418	-2,564
	<b>Total equity</b>	<b>14,918</b>	<b>-2,064</b>
9	Other provisions	6,521	1,281
	<b>Total provisions</b>	<b>6,521</b>	<b>1,281</b>
	Payables to other credit institutions	0	78
	Trade payables	1,100	2,315
	Payables to group enterprises	120,803	71,348
	Income taxes	1,517	0
	Other payables	34,500	21,434
	<b>Total short-term payables</b>	<b>157,920</b>	<b>95,175</b>
	<b>Total payables</b>	<b>157,920</b>	<b>95,175</b>
	<b>Total equity and liabilities</b>	<b>179,359</b>	<b>94,392</b>

10 Contingent liabilities

11 Related parties

## Statement of changes in equity

Figures in DKK '000	Share capital	Retained earnings
Statement of changes in equity for 01.01.22 - 31.12.22		
Balance as at 01.01.22	500	51,950
Net profit/loss for the year	0	-54,514
Balance as at 31.12.22	500	-2,564
Statement of changes in equity for 01.01.23 - 31.12.23		
Balance as at 01.01.23	500	-2,564
Net profit/loss for the year	0	16,982
Balance as at 31.12.23	500	14,418

## 1. Special items

Special items are income and expenses that are special due to their size and nature. The following special items were recorded in the financial year:

Special items:	Recognised in the income statement in:	2023 DKK '000	2022 DKK '000
Adjustment of purchase prices of products from parent company as a result of tax audit in Germany	Other operating income	24,888	1,140
Adjustment of administrative costs allocated from Parent and sister company as a result of tax audit in Germany	Administrative expenses	-10,793	0
Adjustment of deferred tax for the year	Tax on profit or loss for the year	0	-12,870
<b>Total</b>		<b>14,095</b>	<b>-11,730</b>

As a result of a tax audit performed in the ultimate parent company covering the accounting period 2016-2022 the group has been compensated with a net amount of DKK 14,095 from the ultimate parent company.

	2023	2022
	DKK '000	DKK '000

## 2. Staff costs

Wages and salaries	19,948	21,547
Pensions	3,069	3,384
Other social security costs	414	445
Other staff costs	968	863
<b>Total</b>	<b>24,399</b>	<b>26,239</b>

Average number of employees during the year	45	40
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Remuneration paid to each member of the management:

Dirk Andreas Oltersdorf	224	224
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Remuneration to the management has been paid by the parent company and allocated to Paranova Pack as part of management fee.

## 3. Financial expenses

Interest, group enterprises	6,902	2,411
Other interest expenses	23	12
Foreign currency translation adjustments	2,541	6,902
<b>Total</b>	<b>9,466</b>	<b>9,325</b>

## 4. Tax on profit or loss for the year

Current tax for the year	1,517	0
Adjustment of deferred tax for the year	-1,517	12,870
<b>Total</b>	<b>0</b>	<b>12,870</b>

**5. Intangible assets**

Figures in DKK '000

Acquired rights

Cost as at 01.01.23	7,317
Additions during the year	1,231
Cost as at 31.12.23	8,548
Amortisation and impairment losses as at 01.01.23	-5,844
Amortisation during the year	-1,237
Amortisation and impairment losses as at 31.12.23	-7,081
Carrying amount as at 31.12.23	1,467

**6. Property, plant and equipment**

Figures in DKK '000

Other fixtures  
and fittings,  
tools and  
equipment

Cost as at 01.01.23	2,239
Additions during the year	235
Cost as at 31.12.23	2,474
Depreciation and impairment losses as at 01.01.23	-1,448
Depreciation during the year	-344
Depreciation and impairment losses as at 31.12.23	-1,792
Carrying amount as at 31.12.23	682

**7. Non-current financial assets**

Figures in DKK '000		Deposits
Cost as at 01.01.23		226
Additions during the year		9
Cost as at 31.12.23		235
Carrying amount as at 31.12.23		235

**8. Deferred tax**

Provisions for deferred tax as at 01.01.23	804	12,870
Deferred tax recognised in the income statement	714	-12,870
Provisions for deferred tax as at 31.12.23	1,518	0

Deferred tax is distributed as below:

Intangible assets	1,036	871
Property, plant and equipment	634	820
Provisions	1,435	282
Tax losses	16,585	20,011
Impairment adjustment	-18,172	-21,983
Total	1,518	1



	31.12.23	31.12.22
	DKK '000	DKK '000

## 9. Other provisions

Other provisions are expected to be distributed as follows:

Current liabilities	6,521	1,281
Total	6,521	1,281

## 10. Contingent liabilities

### *Lease commitments*

The company has concluded lease agreements with terms to maturity of 3-35 months and average lease payments of DKK 332k. a total of DKK 2,451k.

### *Other contingent liabilities*

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The total known tax liability for the jointly taxed companies is DKK 714k at the balance sheet date, of which DKK 714k is recognised in the balance sheet. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

A competing enterprise has instituted legal proceedings against a group company with a claim for infringement of trademark rights. As a result of group agreements, this company may be financially burdened by the claim. The trial is still at an early stage, and the outcome of the legal proceedings remains uncertain at the present time. However, the management of the company is of the opinion that the company has acted in accordance with the applicable regulations in the area.

The company is also party to a number of other legal proceedings. It is the management's view that these proceedings will not materially influence the financial position of the company.

## 11. Related parties

The company is included in the consolidated financial statements of the parent Paranova Group A/S, Herlev.

## 12. Accounting policies

### GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class by applying the exemption set out in section 78a of the Danish Financial Statements Act.

The accounting policies have been applied consistently with previous years.

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

**12. Accounting policies** - continued -**CURRENCY**

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

**LEASES**

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

**INCOME STATEMENT****Revenue**

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

**12. Accounting policies** - continued -**Other operating income**

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

**Cost of sales**

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

**Other external expenses**

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

**Staff costs**

Staff costs comprise wages and salaries as well as other staff-related costs.

**Depreciation, amortisation and impairment losses**

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK '000
Acquired rights	3	0
Other plant, fixtures and fittings, tools and equipment	3-5	0

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

## 12. Accounting policies - continued -

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

### Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

### Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

### Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

## BALANCE SHEET

### Intangible assets

#### *Acquired rights*

Acquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

## 12. Accounting policies - continued -

### Property, plant and equipment

Property, plant and equipment comprise other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

### Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

**12. Accounting policies** - continued -**Inventories**

Inventories are measured at cost calculated according to the FEFO-method (First Expired First Out). Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

**Receivables**

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

**Prepayments**

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

**Cash**

Cash includes deposits in bank accounts as well as operating cash.

**Provisions**

Other provisions comprise expected expenses incidental to warranty commitments, restructuring etc. and are recognised when the company has a legal or constructive obligation at the balance sheet date and it is probable that such obligation will draw on the financial resources of the company. Provisions are measured at net realisable value or fair value if the provision is expected to be settled over the longer term.

**12. Accounting policies** - continued -

Warranty commitments comprise the obligation to repair defective work within the warranty period of 1-5 years. Warranty commitments are measured at net realisable value and recognised based on previous years' experience with warranty work.

**Current and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

**Payables**

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.