

Vesteråls Naturprodukter ApS

c/o Pfizer ApS, Lautrupvang 8, 2750 Ballerup

CVR no. 31 78 61 26

Annual report 2017/2018

Approved at the annual general meeting of shareholders on 29th of April 2019

Chairman:



NICHOLAS WILLIAM BOE STENDERUP

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Vesterlens Naturprodukter ApS for the financial year 1 December 2017 – 30 November 2018.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at the 30 November 2018 and of the results of the Company's operations for the financial year 1 December 2017-30 November 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommended the adoption of the annual report at the annual general meeting.

Ballerup, 29th of April 2019

Executive Board:



Joar Christock

Board of Directors:

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Michael Christian Remy
Jensen
Chairman



Paul Richard Rose



Joar Christock

Statement by the Board of Directors and the Executive Board

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In our opinion, the financial statements give a true and fair view of the Company's financial position at the 30 November 2018 and of the results of the Company's operations for the financial year 1 December 2017-30 November 2018.

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Ballerup, 29th of April 2019

Executive Board:

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Joar Chrislock

Board of Directors:


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Michael Christian Remy
Jensen
Chairman

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Paul Richard Rose

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Joar Chrislock

Independent auditor's report

To the shareholders of Vesterå lens Naturprodukter ApS

Opinion

We have audited the financial statements of Vesterå lens Naturprodukter ApS for the financial year 1 December 2017 – 30 November 2018 comprising income statement, balance sheet, statement of changes in equity and notes. 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 assets, liabilities and financial position at 30 November 2018 and of the results of the Company's operations for the financial year 1 December 2017 – 30 November 2018 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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 under-lying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

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'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, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 29th of April 2019

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 96



Lau Bent Baun

State Authorised Public Accountant
mne26708



Joakim Juul Larsen

State Authorised Public Accountant
mne32803

Management's review

Company details

Name	Vesterålens Naturprodukter ApS
Address, Postal code, City	c/o Pfizer ApS, Lautrupvang 8, 2750 BALLERUP
CVR No.	31 78 61 26
Established	1 November 2008
Registered office	Ballerup
Financial year	1 December 2017 – 30 November 2018
Board of Directors:	Michael Christian Remy Jensen, Chairman Paul Richard Rose Joar Chrislock
Executive Board:	Joar Chrislock
Auditors:	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28, DK-2100 Copenhagen Ø

Operating review

The Company's business review

Vesterålen Naturprodukter ApS is part of Vesterålen Naturprodukter AS Group and included in the consolidated financial statements for Pfizer Inc. The US-based Pfizer group is a multinational pharmaceutical group listed on the New York Stock Exchange.

Vesterålen Naturprodukter ApS carries out trade in dietary supplements, natural products and pharmaceuticals.

Financial review

In 2017/18, the company's revenue came in at DKK 13,015 thousand against DKK 12,443 thousand last year. The income statement for 2017/18 shows a loss of DKK 63 thousand against a profit of DKK 183 thousand last year, and the balance sheet at 30 November 2018 shows a positive equity of DKK 1,997 thousand.

The financial performance has been according to plan .

Post balance sheets event

No significant events have occurred subsequent to the financial year.

Outlook

Vesterålen Naturprodukter ApS expects growth in 2018/19 and improved operating income compared to 2017/18, mainly due to a significant growth in the customer base last year.

Financial statements for the period 1 December 2017 – 30 November 2018

Income statement

Notes	DKK'000	2017/18	2016/17
	Revenue	13,015	12,443
	Cost of Sales	-3,539	-2,543
	External expenses	-8,519	-8,747
	Gross profit/(loss)	957	1,153
2	Staff costs	-671	-639
	Operating profit/(loss)	286	514
3	Financial income	320	122
4	Financial expenses	-303	-160
	Profit before tax	303	476
5	Tax for the year	-366	-293
	Profit for the year	-63	183
	Proposed Profit Appropriation/Distribution of Loss		
	Retained Earnings	-63	183
		-63	183

Financial statements for the period 1 December 2017 – 30 November 2018

Balance sheet

Notes	DKK'000	2017/18	2016/17
	Assets		
	Current assets		
	Receivables		
	Trade receivables	927	1,150
	Receivables from group enterprises	4,299	3,420
6	Deferred tax receivable	125	393
	Other receivables	49	36
		<u>5,400</u>	<u>4,999</u>
	Cash	392	398
	Total current assets	<u>5,792</u>	<u>5,397</u>
	TOTAL ASSETS	<u>5,792</u>	<u>5,397</u>
	 EQUITY AND LIABILITIES		
	Equity		
	Share capital	800	800
	Retained earnings	1,197	1,260
	Total equity	<u>1,997</u>	<u>2,060</u>
	 Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	145	153
	Payables to group enterprises	2,540	1,873
	Other payables	1,110	1,311
		<u>3,795</u>	<u>3,337</u>
	Total liabilities other than provisions	<u>3,795</u>	<u>3,337</u>
	TOTAL EQUITY AND LIABILITIES	<u>5,792</u>	<u>5,397</u>

- 1 Accounting policies
- 7 Contractual obligations and contingencies, etc.
- 8 Related parties

Financial statements for the period 1 December 2017 – 30 November 2018

Statement of changes in equity

DKK'000	Share Capital	Retained Earnings	Total
Equity at 1 December 2016	500	-23,623	-23,123
Additional Paid-in Capital during the year	300	24,700	25,000
Loss for the year	-	183	183
Equity at 30 November 2017	800	1,260	2,060
Profit for the year	-	-63	-63
Equity at 30 November 2018	800	1,197	1,197

Financial statements for the period 1 December 2017 – 30 November 2018

Notes to the financial statements

1 Accounting policies

The annual report of Vesterå lens Naturprodukter ApS for 2017/18 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises with opt-in of specific provisions for reporting class C.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish Kroner.

Currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange difference arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as the financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods for resale comprising sale of dietary supplements, natural products and pharmaceuticals is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010. Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Cost of sales

Cost of sales includes expenses relating to purchase of goods for resale used in generating the year's revenue.

External expenses

External expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Financial statements for the period 1 December 2017 – 30 November 2018

Notes to the financial statements

1 Account policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance payment of tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to current rates applicable to interest surcharges to the management company.

Balance Sheet

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received.

Equity

Proposed dividends

Dividends proposed for the financial year are presented as separate item under 'Equity'.

Corporation tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on a temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Financial statements for the period 1 December 2017 – 30 November 2018

Notes to the financial statements

1 Account policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised costs, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Financial statements for the period 1 December 2017 – 30 November 2018

Notes to the financial statements

DKK'000	2017/18	2016/17
Note 2		
Staff costs		
Wages/salaries	612	589
Pensions	55	43
Other social security costs	4	7
	<u>671</u>	<u>639</u>
Number of employees at the balance sheet date	<u>1</u>	<u>1</u>
Note 3		
Financial income		
Interest receivable, group entities	75	57
Other financial income	245	65
	<u>320</u>	<u>122</u>
Note 4		
Financial expenses		
Interest expenses, group entities	95	24
Other financial expenses	208	136
	<u>303</u>	<u>160</u>
Note 5		
Tax for the year		
Corporation tax on profit for the year	-	-12
Deferred tax adjustments in the year	269	391
Tax adjustments, prior years	98	-86
	<u>366</u>	<u>293</u>
Note 6		
Deferred tax		
Deferred tax relates to:		
Receivables and tax losses carried forward	125	393
	<u>125</u>	<u>393</u>

Financial statements for the period 1 December 2017 – 30 November 2018

Notes to the financial statements

Note 7

Contingent liabilities

The Company is jointly taxed with other Danish companies in the Pfizer group. As a wholly owned subsidiary of Pfizer Inc., the Company is unlimited and solidarity liable with the other companies in the joint taxation regarding Danish withholding taxes on dividends, interest and royalties in the joint taxation. Income taxes and payable withholding taxes in the joint taxation at 30 November 2018 amount to DKK 0. Any subsequent corrections of the taxable income in the joint taxation or withholding taxes could lead to the Company's liability being higher.

Note 8

Related parties

Vesterålen Naturprodukter ApS's related parties comprise of the following:

Information about consolidated financial statements

Control:

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent's consolidated financial statements</u>
Immediate parent: Vesterålen Naturprodukter AS	Strandgata 16, 8400 Sortland	http://www.pfizer.com
Ultimate parent: Pfizer Inc.	219 8 6A East 42 nd Street, New York, N.Y. 10017, USA	