FTW Holding ApS
Annual Report 2021

Approved at the Company's annual general meeting on 21 June 2022
Chairman:

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Contents

Management's review

Financial highlights

In EUR'000	2021	2020	2019	15 Sept. - 31 Dec. 2018*
Key figures				
Revenue	940.754	663.601	421.529	90.419
Gross profit	81.536	67.524	49.839	11.477
Operating profit before depreciations and amortisation (EBITDA)	16.452	12.534	13.483	3.716
Operating profit (EBIT)	5.737	4.308	3.031	1.716
Financial expenses, net	-4.418	-4.439	-3.034	-843
Profit for the period	-240	-952	-1.349	603
Non-current assets	60.621	55.784	24.483	17.922
Current assets	157.382	168.662	108.649	78.359
Total assets	218.003	224.446	133.132	96.281
Portion relating to investments in items of property, plant and equipment	2.327	2.031	1.985	395
Portion relating to investments in intangible assets	7.354	6.895	6.436	2.733
Equity	56.471	57.174	56.229	10.210
Non-current liabilities	16.544	8.014	4.412	2.032
Current liabilities	144.988	159.258	72.491	84.039
Cash flow from operating activities	30.935	-14.350	-35.056	79
Cash flow from investing activities	-9.597	-9.004	-8.541	-3.119
Of which relate to intangible assets	-7.354	-6.895	-6.436	-2.733
Of which relate to tangible assets	-2.327	-2.031	-1.985	-395
Cash flow from financing activities	-19.587	20.804	50.312	3.166
Total cash flow	1.751	-2.550	6.715	126
Key ratios				
Gross Margin	8,7%	10,2%	11,8%	12,7%
EBITDA Margin	1,7%	1,9%	3,2%	4,1%
Solvency	25,9%	25,5%	42,2%	10,6%
Average number of employees	1.052	913	623	450

*The comparative figures are not adjusted for the implementation of IFRS 16

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Operating profit before depreciations and amortisations (EBITDA) margin	$\frac{\text{Operating profit excl. amortisation and depreciation x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Closing equity x 100}}{\text{Total assets}}$

Management's review

FTW Holding ApS was established 15 September 2018. The purpose of the company is to hold the shares in FTW Invest ApS and the majority of the shares in Wagner Family Holding ApS, which owns the majority of shares in Abacus Medicine A/S (Abacus Medicine Group) and DayDose ApS. The activities within the Group consist mainly of the activities within the Abacus Medicine Group, accordingly the business review reflects primarily the Abacus Medicine Group's business review. The core business of the Group is parallel distribution and wholesale of phamarceuticals.

The result for the year in the consolidated financial statements ended at a loss of EUR 0.2 million, which is not satisfactory.

Revenue for the Abacus Medicine Group grew 42% in 2021 to EUR 940.7 million against EUR 663.6 million. The development was in line with the Outlook. This is the Group's highest revenue ever and was driven by organic growth from the expansion of our product range, as well as the full-year impact of the Pluripharm acquisition in August 2020.

The ongoing COVID-19 pandemic resulted in generally subdued markets with weaker demand. Across Europe and beyond, healthcare systems were forced to prioritize COVID-19 ahead of many other types of treatments for the second year running. As a supplier of a wide range of prescription medicines this had a negative impact on our business.

On top of this, the Group experienced difficult market conditions in Germany due to price changes. Germany represents more than half of the total sales of parallel distributed medicine in Europe.

The effect of these dynamics and the full year impact of the Pluripharm acquisition was a gross margin for the Group of 8.7% in 2021, down from 10.2% the year before. Gross profit rose to EUR 81.5 million from EUR 67.6 million the year before.

EBITDA of EUR 16.5 million and an EBITDA margin of 1.7% was within the Outlook but not in line with the long-term ambition.

Profit for the year for the Abacus Medicine Group was EUR 0.4 million, which was not satisfactory.

The result for DayDose ApS ended with a loss of EUR 0.3 million.

The average number of full time employees was 1,052 in 2021.

Investing in new licences and IT
In 2021, the Abacus Medicine Group rapidly expanded the portfolio of product licences. In combination with investments in IT, the result was an increase in Intangible assets to EUR 30.9 million from 29.2 million the year before. Assets in the form of Property, plant and equipment decreased from EUR 11.4 million in 2020 to EUR 11.0 million in 2021.

Current assets, mainly in the form of Inventory and Trade and other receivables, declined to EUR 157.4 million against 168.7 the previous year.

Unusual matters
No unusual matters occurred in the financial year which have had a material effect on the Group and Parent Company's financial position.

Material recognition and measurement uncertainties
In preparing the consolidated financial statements, Management makes various accounting estimates and assumptions which form the basis of the presentation, recognition and measurement of the Group's assets and liabilities.

Determining the carrying amounts of certain assets and liabilities requires estimates and assumptions concerning future events. Estimates and assumptions are based on historical experience and other factors, which Management assesses to be reasonable, but which by their nature involve uncertainty and unpredictability. These assumptions may have to be revised, and unexpected events or circumstances may occur.

FTW Holding Group is subject to risks and uncertainties that may lead to the actual results differing from these estimates, both positively and negatively. Specific risks are discussed in the Management review in the section below.

Outlook for 2022
Our ability to grow the business remains intact despite the COVID-19 pandemic. Management expects that the number of prescriptions will revert towards a normalised level during 2022 and that the introduction of new products and services will drive further growth and revenue beyond EUR 1 billion.

For 2022, Management expects that the FTW Group will achieve organic revenue growth of around 9-19%.

The FTW Group revenue is expected to be within the range of EUR 1,020-1,120 million and the EBITDA margin is expected to be within the range of 1.9%-2.6% in 2022.

The FTW Group management expects that the activities in FTW Invest and DayDose will have a limited negative impact on this range.

Management's review (continued)

Special risks

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Financial instruments affected by market risk include borrowings, deposits and derivative financial instruments. Abacus Medicine is not considered to be directly affected by an equity price risk or a commodity risk (price volatility of certain commodities, i.e. oil prices, metal prices etc.)

Currency risk
The Group operates in more than a dozen countries and our profit, cash flows and equity are affected by exchange rate fluctuations, particularly SEK and GBP when it comes to sales and a number of different currencies, when it comes to purchases. It is our policy to hedge significant commercial currency risks, primarily via foreign exchange contracts. Speculative currency transactions are not made. Relating foreign exchange risks are generally not hedged, as Management is of the opinion that regular hedging of such long-term investments will not be optimal taking into account the overall risk and costs.

Interest rate risk
The Group's interest-bearing debt, which accounts for a significant part of the balance sheet total implies that changes in the interest rate level will have a material impact on the Group's results of operations. The Group has not hedged interest rate risks.

Liquidity risk
Parallel distribution is a very liquidity-intensive industry, as most of the raw material purchases are to be paid in advance or with very short payment terms, while the customer side is characterized by normal and often long payment terms. This creates a liquidity requirement in the period between payment to suppliers and receipt of customer payments. On the other hand, wholesale activity is less liquidity dependent than parallel distribution due to payment terms from suppliers and to customers are more aligned.

The Abacus Medicine Group aims to have sufficient credit facilities that can accommodate the fluctuations that occur in day-to-day operations, and that within these facilities Abacus Medicine has sufficient reserves for account unforeseen liquidity needs.

This objective is met through building and maintaining sound and trustworthy relationships with bank and factoring companies, which have resulted in the existence of sufficiently large credit lines for factoring and credit facilities.
For further information please refer to note 16.

Sustainability
For 2021, a new Sustainability Report has been introduced in the subsidiary Abacus Medicine A/S. This report is the first of its kind in the Abacus Medicine Group. With the new report, the management wishes to make sustainability efforts more visible and clear to society and stakeholders.

In the new Sustainability Report, detailed information on sustainability activities for the year, including ESG impact, are provided. Furthermore, all statutory measures around environmental impact, diversity and compliance in accordance with section 99a of the Danish Financial Statements Act and section 54, part 6, of the UK Modern Slavery Act are covered in the report.

In the report, the Abacus Medicine Group's focus programs are described. The programs are centered around selected number of business areas that are the most significant and relevant to our sustainability efforts and environmental impact.

In 2021, the Group worked with the following 8 focus programs:

- Diversity
- Community engagement
- Transportation
- Overall sourcing
- Reduce waste
- Supplier code of conduct
- Sustainable initiatives and corporate guidelines
- ESG reporting

Among the key focus areas is the production. Abacus Medicine Group has successful focus programs concentrated around waste management processes in the production facilities as well as the sourcing activities in relation to packaging material.

Another key focus area is the transport activities. The transport of medicines is a main driver for the Abacus Medicine Group and is basically the foundation of the business model. However, it is also the main contributor to our environmental footprint. As such, we work diligently every year on optimizing our transport activities in the most sustainable way.

Lastly, we work with sustainability in the social area centered around our employees and our surroundings communities. In 2021, we took big steps in relation to our work with diversity and inclusion as well as our community engagement activities.

Management's review (continued)

Sustainability approach
In 2021, the Abacus Medicine Group revised the approach to sustainability and implemented new and improved ways to evaluate our progress continuously throughout the year.

In the Abacus Medicine Group, sustainability is governed at executive management level through our Sustainability Steering Committee. The Committee is comprised of relevant top level managers from different areas of the business. Together, the Committee sets the overall direction and strategy for the year and agrees on the focus programs to be executed on.

It is the Committee's responsibility to continuously evaluate the progress of our work throughout the year. The Committee engages in a running dialogue with the Board of Directors on the strategic direction for Sustainability through regular Board meetings and dedicated workshops.

In the Abacus Medicine Group, we believe that sustainability should be a combined effort by the whole organization. Our work with sustainability is highly decentralized as we believe that engaging all departments and employees will create the greatest impact. As such, the daily responsibility for the focus programs is delegated to relevant line functions such as HR, Purchase, Supply Chain and Production.

Diversity
FTW Holding ApS only has a management consisting of a CEO and no employees and therefore FTW Holding ApS does not report on section §99b of the Danish Financial Statements Act.

The subsidiary Abacus Medicine A/S recognises the importance of promoting diversity, including gender, at management levels. The purpose is to ensure equal opportunities through encouragement of diversity including age, ethnicity, nationality, religion, education and sexual orientation. Abacus Medicine seek to be an attractive workplace for all employees and focus on ensuring equal opportunities for all in career advancement and the prospect of occupying management positions.

Abacus Medicine Group employs candidates for management positions with profiles and qualifications best suitable for the company. In this context, gender will be considered when appointing candidates for management positions while taking into account other relevant recruitment criteria, including professional qualifications, relevant experience, educational background, etc.

The average number of full-time employee was 0 (2020: 0 employee).

In 2021, Abacus Medicine Group welcomed a new member to the Board of Directors, Michala Fischer-Hansen. Mrs. Fischer-Hansen brings valuable experience from the pharmaceutical industry.

Below we have listed the development in the gender representation at the management levels at Abacus Medicine Group.

Board of Directors:

Men	86%
Women	14%

Executive Management team:

Men	78%
Women	22%

Statutory social responsibility statement, cf. FSA §99a
FTW Holding is the parent company of Abacus Medicine A/S and has assessed that the main impacts on social and environmental conditions are related to the business activities of the subsidiary. Therefore, the company's reporting on social responsibility, cf. the statutory requirements of FSA §99a, focuses on Abacus Medicine's efforts within the areas of corporate responsibility.

Business model
Abacus Medicine supplies prescription medicine worldwide to pharmacies, hospitals and pharmaceutical companies. Each day, more than 1,000 employees improve global access to medicine from offices, warehouses and production facilities in Europe, the US and Asia. The core business is known as parallel distribution. We help to reduce healthcare costs by giving patients in multiple European countries access to medicine at a lower price.

Human Rights and Anti-Corruption
Abacus Medicine has adopted a policy for Humans Rights, which includes an Anti-Human Trafficking Policy and an Anti-Slavery Policy. Furthermore, an Anti-Corruption Policy is set in place to counter corruption in all its forms. Although the risks for human rights abuses and corruption has been assessed low, Abacus Medicine is aware of the risks of breaches to our policies in the global value chain.

Abacus Medicine continuously seeks to promote and implement these policies where it has an influence, particularly contractors, suppliers, and all other entities and individuals with whom it has a business relationship. In 2021, FTW Holding, therefore, have communicated these policies to relevant suppliers.

Through an investigation into breeches of the policies in 2021, no breaches of human rights and anti-corruption policies was recorded.

Abacus Medicine continuously seeks to promote respect for these policies by others where it has an influence, particularly contractors, suppliers, and all other entities and individuals with whom it has a business relationship.

Management's review (continued)

Environment and Climate
Abacus Medicine is aware of its societal impact and the responsibilities to ensure well-documented processes and compliance with a wide range of environmental legislation. The largest environmental risk comes from use of electricity at production facilities, paper and cardboard waste from repackaging of medicine, and transport carried out by sub-suppliers. During 2021, Abacus Medicine worked with programs to produce assessments of the environmental impact of supplier's solutions to carton material.

Abacus Medicine aims to reduce its environmental and climate footprint across all its subsidiaries, to help create a more sustainable business.

In the future, it is expected that the programs will help showcase where Abacus Medicine should use the most of its efforts to reduce the environmental and climate footprint of the company.

Social and Employee matters
Abacus Medicine strives to provide a safe, healthy and secure working environment for all its employees. The main risks to employees are assessed to be discrimination and dissatisfaction among the employees. At our core is our diverse workforce and a dedication to be completely free of discrimination in all aspects with our well-established Anti-Discrimination Policy. Through an employee satisfaction survey, room for improvement was found regarding global cooperation and global information flows. In 2021, a set of focus group discussions were held as part of the program to optimize global cooperation and information flows.

The Covid-19 pandemic has not gone unnoticed at Abacus Medicine either. The main risk was assessed to be employees getting sick at the workplace. In response, the company provided online management training on remote management and created guidelines for managing employees from a distance. Material was created for both managers and employees to support them in the very unusual situation, and the HR departments at all locations made sure to follow up with both managers and employees to ensure a good working environment during the crisis.

In the future we will continue optimize global cooperation and information flow.

Data ethics
The Abacus Medicine Group has not implemented a Data Ethics policy for 2021, due to the following reasons:

The majority of the Abacus Medicine Group's business takes place in the business-to-business segment, and the involvement of personal data is therefore limited. The company has not implemented any new technologies that would give rise to concerns regarding data ethics in relation to personal data.

The protection of individuals' fundamental rights and freedoms is achieved through compliance with existing data protection laws, especially the requirements relating to data minimization, transparency and security.

The use of non-personal data within the Abacus Medicine Group does not involve any new technologies that would give rise to ethical concerns.

Management's review

Company information

Name	FTW Holding ApS
Address	Kalvebod Brygge 35 1560 Copenhagen
CVR-no.	39 87 33 89
Founded	15 September 2018
Registered municipality	Copenhagen, Denmark
Financial year	1 January – 31 December
E-mail	flemming.wagner@abacusmedicine.com
Telephone	+45 70 22 02 12
Management	Flemming Wagner, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, 2000 Frederiksberg

Consolidated financial statements 1 January – 31 December

Income statement

Note	EUR'000	2021	2020
2	Revenue	940.754	663.601
	Cost of sales	-859.218	-596.077
	Gross profit	**81.536**	**67.524**
3	Other external costs	-23.057	-20.704
4,5	Staff costs	-42.027	-34.286
	Operating profit before depreciations and amortisation (EBITDA)	**16.452**	**12.534**
6	Depreciation, amortisation and impairment	-10.715	-7.750
	Other operating costs	0	-476
	Operating profit (EBIT)	**5.737**	**4.308**
7	Share of profit (loss) in associates	-17	-81
8	Finance income	112	187
8	Finance expenses	-4.530	-4.626
	Profit before tax	**1.302**	**-212**
9	Tax	-1.542	-740
	Profit for the period	**-240**	**-952**
	Profit for the period attributable to:		
	FTW Holding ApS	-180	-937
	Non-controlling interests	-60	-15
		-240	**-952**

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Balance sheet

Note	EUR'000	2021	2020
	ASSETS		
	Non-current assets		
10	Intangible assets	30.911	29.151
11	Property, plant and equipment	10.968	11.352
12	Right-of-use assets	9.808	5.352
	Investments in associates	123	72
	Other receivables	4.632	6.200
15	Deferred tax assets	4.179	3.657
	Total non-current assets	**60.621**	**55.784**
	Current assets		
	Raw materials and consumables	72.184	68.004
	Manufactured goods and goods for resale	41.281	40.545
	Trade receivables	21.105	41.453
13	Other receivables	14.060	11.677
	Prepayments	1.198	1.180
	Cash	7.554	5.803
	Total current assets	**157.382**	**168.662**
	TOTAL ASSETS	**218.003**	**224.446**
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	16	16
	Other reserves	-503	-394
	Retained earnings	31.734	31.987
	Proposed dividends	538	1.613
	Shareholders in FTW Holding ApS' share of equity	**31.785**	**33.221**
14	Non-controlling interests	24.686	23.952
	Total equity	**56.471**	**57.174**
	Non-current liabilities		
15	Deferred tax liabilities	4.135	3.155
16	Borrowings	1.838	0
12	Lease liabilities	7.791	3.608
17	Other payables	2.780	1.251
	Total non-current liabilities	**16.544**	**8.014**
	Current liabilities		
18	Provisions	4.134	6.008
12	Lease liabilities	2.353	1.776
16	Borrowings	51.861	71.142
	Trade payables	66.903	61.992
	Income tax payable	632	895
17	Other payables	19.097	17.438
19	Deferred income	8	7
	Total current liabilities	**144.988**	**159.258**
	Total liabilities	**161.532**	**167.272**
	TOTAL EQUITY AND LIABILITIES	**218.003**	**224.446**

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22 Mortgage and collateral
23 Financial risk and financial instruments
24 Related party disclosures
25 Business combinations
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Cash flow statement

Note	EUR'000	2021	2020
	Operating activities		
	Profit before tax	1.302	-212
	Adjustments to reconcile profit before tax to net cash flow:		
6	Depreciation, amortisation and impairment	10.715	7.749
	Share of profit (loss) in associates	17	81
	Finance income	-112	-187
	Finance expenses	4.530	4.626
	Working capital adjustments:		
	Non-cash items, net	-1.503	731
20	Changes in working capital	20.685	-23.333
8	Interest received	112	187
8	Interest paid	-3.448	-3.626
	Income tax paid	-1.363	-365
	Net cash flow from operating activities	**30.935**	**-14.350**
	Investing activities		
10	Purchase of intangible assets	-7.354	-6.895
11	Purchase of property, plant and equipment	-2.327	-2.031
25	Acquisition of subsidiary	0	0
	Disposals non-current assets	15	0
	Change in paid deposits	69	-79
	Net cash flow used in investing activities	**-9.597**	**-9.004**
	Financing activities		
	Capital increases	-	0
	Proceeds from borrowings (credit facility)	-17.443	20.671
	Proceeds from exercise of warrants	247	1.373
	Repayment of lease liabilities	-2.213	-1.504
	Sale/purchase of treasury shares	0	415
	Deposits regarding bank agreement	1.499	-1.047
	Aqusition of minorities	0	896
	Dividends	-1.677	0
	Net cash flow from financing activities	**-19.587**	**20.804**
	Cash flow for the period	**1.751**	**-2.550**
	Cash at beginning of the period	5.803	8.353
	Cash at 31 December	7.554	5.803

The above cannot be derived directly from the income statement and the balance sheet.

Consolidated financial statements 1 January – 31 December

Statement of changes in equity

EUR'000

	Share capital	Cash flow hedge reserve	Foreign currency translation reserve	Retained earnings	Proposed Dividends	Parents company share of equity	Minority share	Total
Equity 1 January 2021	**16**	**-199**	**-195**	**31.987**	**1.613**	**33.221**	**23.952**	**57.174**
Capital injection	-	-	-	655	-	655	571	1.226
Profit for the year	-	-	-	-718	538	-180	-60	-240
Cash flow hedges – effective portion of changes in fair value	-	39	-	-	-	39	34	73
Exchange differences on translation of foreign operations	-	-	-139	-	-	-139	-121	-260
Tax on other comprehensive income	-	-9	-	-	-	-9	-7	-16
Dividends paid	-	-	-	-	-1.613	-1.613	-64	-1.677
Sale of treasury shares	-	-	-	-	-	-	-	-
Equity-settled share-based payments	-	-	-	98	-	98	85	183
Change in ownership	-	-	-	-287	-	-287	295	8
Total equity movements	**-**	**30**	**-139**	**-253**	**-1.075**	**-1.436**	**734**	**-703**
Equity 31 December 2021	**16**	**-169**	**-334**	**31.734**	**538**	**31.785**	**24.686**	**56.471**
Equity 1 January 2020	**15**	**-111**	**-194**	**33.583**	**-**	**33.293**	**22.936**	**56.229**
Capital injection	1	-	-	23	-	24	393	417
Profit for the year	-	-	-	-2.550	1.613	-937	-15	-952
Cash flow hedges – effective portion of changes in fair value	-	-113	-	-	-	-113	-96	-209
Exchange differences on translation of foreign operations	-	-	-1	-	-	-1	-1	-2
Tax on other comprehensive income	-	25	-	-	-	25	21	46
Dividends paid	-	-	-	-	-	-	-	-
Sale of treasury shares	-	-	-	224	-	224	191	415
Equity-settled share-based payments	-	-	-	179	-	179	153	332
Change in ownership	-	-	-	528	-	528	370	898
Total equity movements	**1**	**-88**	**-1**	**-1.596**	**1.613**	**-71**	**1.016**	**945**
Equity 31 December 2020	**16**	**-199**	**-195**	**31.987**	**1.613**	**33.221**	**23.952**	**57.174**

The share capital consist of 116.995 shares with a nominal value of 1.00 DKK each. None of the shares are assigned with special rights.

The share capital has since the establisment of the Company in September 2018 been increased with nominal shares of 2.000 in 2019 and 35 in 2020.

Consolidated financial statements 1 January – 31 December

Overview of notes for the consolidated financial statements

Consolidated financial statements 1 January – 31 December

Notes

1 Accounting policies

FTW Holding is a private limited company registered in Denmark. The financial statements section of the annual report, for the period 1 January – 31 December 2021, comprise both the consolidated financial statements of FTW Holding ApS and its subsidiaries (the Group) and the separate Parent Company financial statements.

The annual report of FTW Holding ApS for 2021 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large reporting class C entities.

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

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, which have been measured at fair value. The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (EUR'000), except when otherwise indicated.

Consolidated financial statements

The consolidated financial statements comprise the financial statements of FTW Holding ApS (the Parent) and the subsidiaries controlled by the Parent, as at 31 December 2021. FTW Holding ApS controls an entity when it is exposed to or has rights to variable returns from its involvement in the entity and has the ability to affect those returns through its power over the entity.

On consolidation, intra-Group income and expenses, shareholdings, intra-Group balances and dividends, and realised and unrealised gains on intra-Group transactions are eliminated.

The subsidiaries' financial statement items are included 100% in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries that are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are presented separately.

Foreign currency translation

The Group's consolidated financial statements are presented in euros. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Current versus non-current classification

FTW Holding ApS presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is either:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when, either:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Consolidated financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Business combinations
Business combinations are accounted for by using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group decides whether it will measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition costs incurred are expensed and included in the income statement as other operating costs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date.

Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IFRS 9 in the income statement.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for the non-controlling interest over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in such circumstances is measured based on the

Derivative financial instruments
Initial recognition
The Group uses forward currency contracts (derivative financial instruments) to hedge its foreign currency risks relating to receivables and payables. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in equity and later reclassified to the income statement when the hedge item affects the income statement.

Income Statement

Revenue
The company has chosen IFRS 15 as interpretation for the recognition of revenue.

Revenue from the sale of goods is recognised when the performance obligation is satisfied, i.e. when control of the goods have passed to the buyer. All sales of goods are recognized at one-point-of-time. Due to factoring agreements, the receivables are either sold or financed, and the payments are in general received from the factoring company within one day. Revenue is measured at fair value of the agreed consideration, excluding VAT and taxes charged on behalf of third parties. Provisions for rebates and discounts granted to customers are recognised as a reduction of revenue, whereas the effect of expected returns is recorded as a reduction of gross profit, i.e. revenue and cost of sales.

Rights of return
Certain contracts provide our customers with a right to return the goods. The expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Assets and liabilities arising from rights of return:

Rights of return assets
A right of return asset represents the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decrease in the value of the returned goods. The measurement of the asset is updated and recorded for any revisions to its expected level of returns, as well as any additional decrease in the value of the returned products. The right of return asset is presented under inventory.

Rights of return liabilities
A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The estimates of refund liabilities are updated (along with the corresponding change in the transaction price) at the end of each reporting period. The right of return liability is presented under provisions.

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1 Accounting policies (continued)

Significant accounting judgements, estimates and assumptions

Customer rebates, discounts and price adjustments
Certain contracts for the sale of products include customer rebates, discounts and price adjustments that give rise to variable consideration. Customer rebates and discounts vary across distribution channels, and price adjustments are in some cases dependent on future market price development. In estimating the variable consideration, Abacus Medicine considers the contract information, historical experience, business forecast and the current economic conditions. The provisions for rebates, discounts and price adjustments granted to customers are recognized as a reduction of revenue.

Cost of sales
Cost of sales includes the costs for pharmaceutial goods and consumables used in generating the year's revenue.

Other external expenses
Other external costs include expenses in regards to the Group's principal activities, arising during the year. This includes expenses for sales, advertisement, administration, service relating to office buildings etc.

Staff costs
Staff costs include wages and salaries, including share-based payments, holiday pay and pensions, as well as other expenses for social security etc., relating to the Group's employees. Within staff costs, any compensation received from public authorities has been deducted.

Incentive programs under which the employee has the opportunity for net settlement are recognised on a regular basis with the share of the earned value and are, similarly, recognised under Other payables. The value of the underlying agreement is defined in the contracts and depends on the Group's earnings.

Share-based payments
Certain employees of the Group receive remuneration in the form of share-based payments, whereby program participants render services as consideration for equity instruments ("equity-settled transactions") or cash ("cash-settled transactions"), which is relevant for the program where the employees have the option to choose between equity instruments or cash. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made, using an appropriate valuation model. The cost of cash-settled transactions are determined by the expected payment to the employees.

That cost is recognised in staff costs, together with a corresponding increase in equity (other capital reserves) for equity-settled programs or other payables for cash-settled programs, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or income in the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

A liability is recognised for the fair value of cash-settled transactions, within other payables (current). The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability.

Other operating costs
Other operating costs are presented as special items in Abacus Medicine A/S. Special items are used in connection with the presentation of profit or loss for the year to distinguish consolidated operating profit from exceptional items, which by their nature are not related to the Group's ordinary operations. Special items consist of costs related to seeking new capital, i.e. IPO and private equity projects, and transaction costs related to acquisition of enterprises.

Finance income and expenses
Finance income and expenses comprise interest income and expenses, exchange gains and losses on transactions denominated in foreign currencies etc., as well as surcharges and allowances under the on-account tax scheme etc.

Income tax
Tax for the year
Tax for the year comprises current tax on the expected taxable income for the year and the year's deferred tax adjustments. The tax expense relating to the profit for the year is recognised in the income statement, and the tax expense relating to transactions recognised in equity is recognised in equity.

FTW Holding ApS is jointly taxed with its Danish Group entities, and FTW Holding ApS is also the administration company of the Danish Group entities towards the Danish Tax authorities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are, as a minimum, reimbursed by the administration company based on the current rates applicable to interest allowances, and jointly taxed entities having less tax paid, as a maximum, a surcharge based on the current rates applicable to interest surcharges to the management company.

Consolidated financial statements 1 January – 31 December

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1 Accounting policies (continued)

Balance sheet

Intangible assets
Goodwill, Licenses, Software and IP rights
Goodwill is initially recognised at the amount by which the purchase price for a business combination exceeds the recognised value of the identifiable assets and liabilities assumed. Goodwill comprises future growth expectations, buyer-specific synergies, the workforce in place and know-how. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and impairment losses.

Licenses relate to marketing permits and product approvals. Licenses are measured at cost less accumulated amortisation and impairment losses. Cost comprises of the purchase price and salaries directly attributable until the date when the marketing permits and product approvals are available for use. The basis of amortisation is cost. The licenses are set with no residual value. Amortisation is provided on a straight-line basis over the expected useful lives of the assets. The basis of amortisation is based on the residual value of the asset and is reduced by impairment losses, if any. In case of changes in the depreciation period or the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

Software is measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

IP rights are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

On initial recognition, the costs of licenses, software and IP rights are recognised in the balance sheet and measured at cost and subsequently at cost less accumulated amortisation and impairment losses.

Amortisation periods are as follows:

Goodwill	10 years
Licenses	5 - 8 years
Software	3 - 10 years
IP Rights	10 years

The assets have no scrap value.

Gains and losses on the disposal of rights and licenses are made up as the difference between the selling price less selling costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as Other operating income or Other operating expenses, respectively.

Development costs
Development expenditures on an individual project are recognised as an intangible asset when the the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Property, plant and equipment
Property, plant and equipment consists of leasehold improvements and other fixtures and fittings. Leasehold improvements and other fixtures and fittings are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The cost for a total asset is split in separate components, which are depreciated separately, if the useful life of each of the components differ.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets/components. The expected useful lives are as follows:

Land and buildings	30 Years
Leasehold improvements	3-5 years
Other fixtures and fittings	2-10 years

The assets have no scrap value.

Depreciation is calculated on cost price less scrap value and impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. If the residual value exceeds the carrying amount, no further depreciation charges are recognised.

When the depreciation period or the residual value is changed, the effect on depreciation is recognised prospectively as a change in accounting estimates.

Gains and losses at sale of property, plant and equipment is calculated as the difference between the sales price less the sales expenses and the carrying amount at the date of sale. Gains or losses are recognised in the income statement as the item other operating income and other operating expenses, respectively.

Consolidated financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Leases

Right-of-use assets

FTW Holding recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term (1-5 years). Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects FTW Holding's exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, FTW Holding uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

FTW Holding applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as other external costs on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with extension options

FTW Holding determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Under the current contracts, FTW Holding has no material extension options.

Impairment of non-current assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations. The budget and forecast calculation generally covers a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's recoverable amount.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU to which the goodwill relates (Abacus Medicine Pharma Services). When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Consolidated financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Inventories
Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

The cost of goods for resale, as well as materials and consumables, comprises the cost of acquisition plus delivery costs and, for finished goods, indirect production overheads, including packaging material, are added.

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

Receivables
Receivables are measured at amortised cost.

The measurement of the provision for bad debt for receivables is based on the expected credit loss and the lifetime expected loss for all trade receivables. Where there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised at the individual receivable level.

Prepayments
Prepayments recognised under Current assets comprise expenses incurred concerning subsequent financial years.

Cash
Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand.

Equity
Foreign currency translation reserve
The exchange adjustment reserve in the consolidated financial statements comprises exchange differences arising on the translation of the financial statements of foreign enterprises from their functional currencies into EUR. On realisation, accumulated value adjustments are taken from equity to financial items in the income statement.

Cash flow hedge reserve
The hedge transaction reserve contains the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future cash flows and for which the hedged transaction has yet to be realised.

Dividend
Dividend proposed for the year is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date).

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

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

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. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity.

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Corporation tax receivable" or as "Corporation tax payable".

Provisions
Provisions comprise anticipated expenses for returned goods. Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation.

Liabilities
Financial liabilities are initially recognised at fair value less transaction costs. Subsequently, the financial liabilities are measured at amortised cost using the effective interest method, whereby transaction costs and any premium or discount are recognised as financial expenses over the term of the liabilities.

Other liabilities are measured at net realised value.

Fair value
All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities.

Level 2: Value based on recognised valuation methods on the basis of observable market information.

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

Fair value measurements are based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

Consolidated financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Cash flow statement
The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in Cash as well as the Group's Cash at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from corporate acquisitions are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of entities are recognised up until the date of disposal.

Cash flows are presented using the indirect method.

Cash flow from operating activities
Cash flow from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and income taxes paid.

Cash flow from investing activities
Cash flow from investing activities comprises payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and financial assets.

Cash flow from financing activities
Cash flow from financing activities comprises changes in the size or composition of the the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividend to shareholders.

Segment information
The segment disclosures provided reflect the information for the reportable segments which the management receives monthly in its capacity as decision maker. The allocation of resources and the segment performance are evaluated based on revenue, gross profit and profitability measured on earnings before interest, taxes, depreciations and amortisation (EBITDA).

Consolidated financial statements 1 January – 31 December

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2 Revenue

The presentation of revenue for FTW Holding Group is defined by the operational structure which is derived from the types of activities we are engaged in. Abacus Medicine Pharma Services (previously named Aposave) accounts for less than 10% of the revenue, gross profit and assets in the Group, and due to similar characteristics, Abacus Medicine Pharma Services has been presented in combination with Abacus Medicine - Parallel Distribution.

Revenue in business operations
Our business operations are carried out by the following activities.

Abacus Medicine - Parallel Distribution and Pharma Services
Supplies prescription medicine to pharmacies, hospitals and pharmaceutical companies and delivers pharmaceutical and healthcare services.

Pluripharm
Conducts wholesale trade in pharmaceutical and related products and provides related services to pharmacies, hospitals, healthcare institutions and other wholesalers.

Operating information

	2021					**2020**				
EUR'000	**Abacus Medicine**	**Pluripharm**	**Other**	**Eliminations**	**Total**	**Abacus Medicine**	**Pluripharm***	**Other**	**Eliminations**	**Total**
Revenue	672.073	284.647	14	(15.980)	**940.754**	567.730	98.592	100	- 2.821	**663.601**
Gross Profit	63.483	18.053	1	-	**81.536**	61.243	6.314	(33)	-	**67.524**
EBITDA	16.104	458	(110)	-	**16.452**	13.749	(1.266)	51	-	**12.534**
Total Assets	172.659	42.917	2.427	-	**218.003**	157.793	61.734	4.919	-	**224.446**
Total Liabilites	127.413	33.517	602	-	**161.532**	118.135	48.368	769	-	**167.272**

* Pluripharm result as from 29 July 2020.

3 Fees paid to auditors appointed at the annual general meeting

Fees payable to FTW Holding Group's auditor for the audit of FTW Holding Group's financial statements and other non-audit services are specified as below.

EUR'000	**2021**	**2020**
Audit	289	335
Other assurance engagements	1	2
Total audit related services	**290**	**337**
Tax consultancy	-	33
Other non-audit services	4	9
Total fee to EY	**294**	**379**

The costs are recognised in the consolidated income statement as Other external costs.

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4 Staff costs

EUR'000	**2021**	**2020**
Wages and salaries	36.657	29.420
Pensions, defined contribution plans	2.550	2.241
Other social security costs	655	539
Other staff costs	3.005	2.675
Share-based payment expense	183	332
Total staff costs	**43.050**	**35.207**
Of which are capitalised as intangible assets	-1.017	-921
Total staff costs in the income statement	**42.033**	**34.286**

	2021	**2020**
Average number of full-time employee (full year)	1.052	913

In the above is included staff costs to the Board of Directors, Executive Management and Key Management Personnel of the subsidiary Abacus Medicine A/S. The full year costs amounted to EUR 3,023 thousand (2020: EUR 2,743 thousand) for the year ended 31 December 2021, hereof pension payments of EUR 202 thousand (2020: EUR 169 thousand).
The above is split between an average of 16 members (2020: 15 members) of the Board of Directors, Executive Management and Key Management Personnel.

5 Share-based payments

Warrants have been granted to members of the board of directors, Key Management Personnel and other employees in the subsidiary Abacus Medicine A/S.

Below is a brief description of each of the active programs.

Warrant agreements entered into in December 2018 allow those eligible to subscribe for up to 164,719 new shares of EUR 0.05 each in Abacus Medicine A/S. This warrant agreement only allows settlement with shares which must take place in December 2020 (85,107 shares, subscription price EUR 16.22), July 2021 (39,799 shares, subscription price EUR 10.42) and February 2022 (39,813 shares, subscription price EUR 10.16).

Warrant agreements entered into in April 2020 allow those eligible to subscribe for up to 98,200 new shares of EUR 0.05 each in Abacus Medicine A/S. The subscription price is EUR 10.16 per share, corresponding to a total potential subscription price of approximately EUR 998 thousand. This warrant agreement only allows settlement with shares which must take place in April 2025 at the latest. The warrant scheme has been accounted for as an equity-settled program.

Warrant agreements entered into in July 2020 allow those eligible to subscribe for up to 66,700 new shares of EUR 0.05 each in Abacus Medicine A/S. The subscription price is EUR 10.16 per share, corresponding to a total potential subscription price of approximately EUR 678 thousand. This warrant agreement only allows settlement with shares which must take place in December 2020 (45,700 shares) and April 2025 at the latest (21,000 shares). The warrant scheme has been accounted for as an equity-settled program.

Warrant agreements entered into in July and December 2020 allow those eligible to subscribe for up to 45,308 new shares of EUR 0.05 each in Abacus Medicine A/S. The subscription price is EUR 13.49 per share, corresponding to a total potential subscription price of EUR 611 thousand. This warrant agreement was only allowed to be settled with shares in December 2020. The warrant scheme has been accounted for as an equity-settled program.

Warrant agreements entered into in November and December 2021 allow those eligible to subscribe for up to 129,082 new shares of EUR 0.05 each in Abacus Medicine A/S. The subscription price is EUR 10.93 per share, corresponding to a total potential subscription price of approximately EUR 1,411 thousand. This warrant agreement only allows settlement with shares which must take place in April 2026 at the latest. The warrant scheme has been accounted for as an equity-settled program.

EUR'000	**2021**	**2020**
Equity-settled expense	183	332
Cash-settled expense	-	-
Total share-based payment expense	**183**	**332**

Consolidated financial statements 1 January – 31 December

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5 Share-based payments (continued)

Specification of outstanding share options

	Board of Directors	Key managem. personnel	Other employees	Total number	Average exercise price per option (EUR)
Outstanding at 31 December 2019	**45.309**	**74.855**	**115.699**	**235.863**	
Additions relating to previous years	45.308	46.350	118.550	210.208	
Forfeited	-52.364	-22.710	-18.181	-93.255	
Exercised	-38.253	-64.099	-61.470	-163.822	8.38
Outstanding at 31 December 2020	**-**	**34.396**	**154.598**	**188.994**	
Granted	-	34.763	94.319	129.082	
Forfeited	-	-3.830	-24.200	-28.030	
Exercised	-	-17.090	-6.504	-23.594	
Transfer between categories	-	11.264	-11.264	-	10.42
Outstanding at 31 December 2021	**0**	**59.503**	**206.949**	**266.452**	
Exercisable at 31 December 2021	-	-	-	-	

The average remaining contractual life for the share options outstanding at 31 December 2021 was 3.1 years (2020: 2.5 years). The exercise prices are between EUR 10.16 - EUR 10.93 per share option (2020: EUR 10.16 - EUR 10.42).

In 2021, the expense in regards to share-based payments recognised in the income statement amounts to EUR 183 thousand (2020: EUR 332 thousand).

The following table list the inputs to the models used for the plan for the different programs:

	2021 Equity Settled	2020 Equity Settled	2018 Equity Settled
Weighted average fair values at measurement date	5.1	2.7	1.7
Weighted average share price	14.6	12.0	10.8
Exercise price	10.9	10.2-13.5	16.2
Expected volatility (%)	35%	35%	25%
Expected life of share options	52-53 months	1-60 months	25-39 months
Dividend yield (%)	0,0%	0,0%	0,0%
Risk-free interest rate (%)	-0.5%/-0.6%	-0.4-0.6 %	0,0%
Valuation method	Black-Scholes	Black-Scholes	Black-Scholes

The expected volatility reflects 35%, which is based on a peer Group median.

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6 Depreciation, amortisation and impairment

EUR'000	2021	2020
Amortisation and write-downs, intangible assets	5.809	4.432
Depreciation, property, plant and equipment	2.430	1.816
Depreciation, right-of-use assets	2.476	1501
Total	**10.715**	**7.750**

7 Investments in subsidiaries and other investments

Name	Registered office	Ownership 2021 and voting rights	Ownership 2020 and voting rights
FTW Invest ApS	Denmark	100%	100%
Wagner Family Holding ApS	Denmark	92,8%	92,8%
Abacus Medicine A/S	Denmark	57,5%	58,1%
Abacus Medicine Hungary KFT	Hungary	100%	100%
Abacus Medicine B.V.	The Netherlands	100%	100%
+365 Medicines GmbH	Germany	100%	100%
Abacus Medicine Berlin GmbH	Germany	100%	100%
Abacus Medicine Ltd	United Kingdom	100%	100%
Abacus Medicine Austria GmbH	Austria	100%	100%
Abacus Medicine France S.A.S.	France	100%	100%
Abacus Medicine Finland Oy	Finland	100%	100%
Abacus Medicine Ireland Ltd.	Ireland	100%	100%
PharmaSave BVBA	Belgium	100%	100%
Originalis B.V.	The Netherlands	100%	100%
Zdrave Med Ltd.	Bulgaria	100%	100%
Abacus Medicine Pharma Services ApS	Denmark	100%	100%
Abacus Medicine Pharma Services Ltd.	United Kingdom	100%	100%
Abacus Medicine Pharma Services Asia Ltd.	Hong Kong	100%	100%
Abacus Medicine Pharma Services Inc.	USA	100%	100%
Abacus Medicine Pharma Services B.V.	The Netherlands	100%	100%
Aposave Mexico S de RL de	Mexico	100%	100%
ApoSave Peru*	Peru	-	100%
Pluripharm Holding B.V.	The Netherlands	100%	100%
Pluripharm Groep B.V.	The Netherlands	100%	100%
Thuis-apotheek B.V.	The Netherlands	50%	50%
Clinic Care Services B.V.	The Netherlands	17%	17%
Pluripharm B.V.	The Netherlands	100%	100%
Pluripack Alkmaar	The Netherlands	100%	100%
Pluripack Zwolle	The Netherlands	100%	100%
Pluripack Breda	The Netherlands	100%	100%
Pluriplus B.V.	The Netherlands	100%	100%
Distrimed B.V	The Netherlands	100%	100%
Pluripharm Apotheek Beheer B.V.	The Netherlands	100%	100%
Apotheekfonds Pharmaconnect B.V.	The Netherlands	50%	50%
Pluripharm Direct B.V.	The Netherlands	100%	100%
Risus Financieringen B.V.*	The Netherlands	-	100%
Phardis B.V.	The Netherlands	100%	100%
Instellingsapotheek B.V.	The Netherlands	100%	100%
Instellingsapotheek Gelderse Vallei B.V.*	The Netherlands	-	100%
Instellingsapotheek Oost B.V.*	The Netherlands	-	100%
Instellingsapotheek Zuidwest B.V.*	The Netherlands	-	100%
DayDose ApS	Denmark	100%	100%

* Company liquidated in 2021.

Consolidated financial statements 1 January – 31 December

Notes

8 Finance income and expenses

EUR'000	2021	2020
Finance income		
Other finance income	112	187
Total finance income	**112**	**187**

EUR'000	2021	2020
Finance expenses		
Other finance costs	3.448	3.626
Interests, lease liabilities	197	95
Amortised loan costs	207	228
Foreign exchange loss, net	678	677
Total finance expenses	**4.530**	**4.626**

9 Income tax

EUR'000	2021	2020
Current income tax		
Current income tax charge	1.110	880
Adjustment in respect of current income tax of previous year	- 7	- 318
Deferred tax		
Relating to origination and reversal of temporary difference	439	178
Income tax expense reporting in the income statement	**1.542**	**740**

Consolidated financial statements 1 January – 31 December

Notes

10 Intangible assets

EUR'000	Development costs	Software	Licenses	IP Rights	Goodwill	Total
Cost 1 January 2021	-	14.725	20.122	1.097	5.506	41.450
Currency translation	-	3	19	-	1	23
Additions	-	123	2.939	-	-	3.062
Additions internally developed	895	-	3.397	-	-	4.292
Reclassification	-895	1.015	-83	-	-	37
Cost 31 December 2021	0	15.866	26.394	1.097	5.507	48.864
Amortisation and impairment 1 January 2021	-	2.286	7.936	1.097	980	12.299
Currency translation	-	-	-39	-	-	-39
Amortisation	-	2.329	2.708	-	549	5.586
Write-downs	-	-	223	-	-	223
Reclassification		-75	-41			-116
Amortisation and impairment 31 December 2021	-	4.540	10.787	1.097	1.529	17.953
Carrying amount 31 December 2021	**0**	**11.326**	**15.607**	**0**	**3.978**	**30.911**

Development costs comprise capitalised expenses for the new ERP system for Abacus Medicine Group, which was taken into use in 2020.

Software is amortised over 3-10 years and Licenses are amortised over 5-8 years. Licenses has been written down with EUR 223 thousand in 2021 (2020: EUR 161 thousand). There have been no further indications of impairment of the intangible assets.

Goodwill was recognised as a part of the acquisition of the Abacus Medicine Pharma Services (previously named Aposave) entities on 21 December 2017 and the Pluripharm Group on 29 July 2020. Goodwill is amortised over 10 years. There have been no indications of impairment of the Goodwill.

11 Property, plant and equipment

EUR'000	Land & Buildings	Leasehold improvements	Other fixtures and fittings, plant and equipment	Total
Cost 1 January 2021	3.804	1.423	10.168	15.395
Currency translation	-	-94	-325	-419
Additions	19	204	2104	2.327
Reclassification	-27	-	-10	-37
Disposals	-	-	-15	-15
Cost 31 December 2021	3.796	1.533	11.922	17.251
Depreciation and impairment 1 January 2021	113	765	3.165	4.043
Currency translation	-	-99	-203	-302
Depreciation	215	172	2.043	2.430
Reclassification	-4		121	117
Disposals	-	-	-5	-5
Depreciation and impairment 31 December 2021	324	838	5.121	6.283
Carrying amount 31 December 2021	**3.472**	**695**	**6.801**	**10.968**

Consolidated financial statements 1 January – 31 December

Notes

12 Leases (IFRS 16)

EUR'000	Buildings	Other fixed assets	Total
Right-of-use assets			
Opening balance at 1 January 2021	4.077	1.275	5.352
Additions	5.887	953	6.840
Disposals	-	-	-
Depreciation	-1.913	-563	-2.476
Remeasurement of lease liabilities	92	-	92
Carrying amount at 31 December 2021	**8.143**	**1.665**	**9.808**

Leasing liabilities

Maturity analysis - contractual undiscounted cash flows	2021	2020
Less than 1 year	2.634	1.825
Between 1 and 5 years	8.217	3.649
More than 5 years	-	-
The undiscounted cash flows	**10.851**	**5.474**
Lease liability recognised on the balance sheet	**10.144**	**5.384**
Current lease liability	2.353	1.776
Non-current lease liability	7.791	3.608
Amount recognised in the income statement		
Interest expense from lease liabilities	197	95
Lease expenses for short-term leases	0	26
Total	**197**	**121**

In 2021, Abacus Medicine paid EUR 2,367 thousand (2020: EUR 1,599 thousand) on lease contracts of which interest payments related to lease liabilities amount to EUR 154 thousand (2020: EUR 95 thousand) and down payments on lease liabilities amounts to EUR 2,213 thousand (2020: EUR 1,504 thousand).

Costs recognised in the period for short-term leases were EUR 0 thousand (2020: EUR 26 thousand) and low-value leases were EUR 0 thousand (2020: EUR 0 thousand). Expenses are recognised on a straight-line basis as Other external costs.

13 Other receivables

EUR'000	2021	2020
Deposits regarding factoring agreement	4.235	5.734
Other receivables	9.825	5.943
Total	**14.060**	**11.677**

The subsidiary Abacus Medicine Group's customers are mainly wholesalers and pharmacies. In general, all Abacus Medicine's invoices to customers are sold to a factoring company which limits the trade receivable risk and days. Further, management monitors payment patterns of the customers and estimates the need for writedowns. Credit ratings, insurance of customers and market-specific development are taken into account in order to assess the need for further write-downs.

Abacus Medicine Group has historically not suffered any significant losses. Allowance for bad debt amounts to EUR 0.5 million as of 31 December 2021 (2020: EUR 0.5 million).

14 Non-controlling interests

EUR'000	2021	2020
Non-controlling interests at 1 January	23.952	22.936
Share of profit for the period	-60	-15
Equity movements etc.	794	1.031
Non-controlling interests at 31 December	**24.686**	**23.952**

Consolidated financial statements 1 January – 31 December

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15 Deferred tax

EUR'000	2021	2020
Deferred tax 1 January	500	-2.428
Additions from business combination	0	3.075
Currency translation	-1	-13
Deferred tax for the year recognised in the income statement	-439	-178
Deferred tax for the year recognised on equity	-16	46
Deferred tax 31 December	44	502
Reflected in the statement of financial position as follows:		
Deferred tax assets	4.179	3.657
Deferred tax liabilities	-4.135	-3.155
Deferred tax 31 December	44	502
Deferred tax relates to:		
Intangible assets	-4.566	-3.751
Tangible assets	444	243
Tax losses carried forward	4.000	3.471
Other assets and liabilities, net	166	539
Deferred tax 31 December	44	502

16 Borrowings

EUR'000	2021	2020
Non-current		
Credit institutions and banks	1.838	0
Total non-current	**1.838**	**0**
Current		
Credit institutions and banks	51.861	52.588
Factoring	0	18.554
Total current	**51.861**	**71.142**

Wagner Family Holding has a credit facility of EUR 1.5 million secured by way of a pledge on a number of shares in Abacus Medicine A/S.

Abacus Medicine A/S has a committed credit facility with Danske Bank, with a maximum credit limit of EUR 74 million (DKK 550 million). The bank credit facility is renegotiated on a three year basis. Next renegotiation is in 2023. The Group has in 2021 entered a new non-recourse factoring agreement with ABN AMRO for the activities in Pluripharm, hence the factoring liability at 31 December 2021 amounts to EUR 0 (2020: EUR 18.6 million).

17 Other payables

EUR'000	2021	2020
Non-current		
VAT payables	1.535	0
Employee related payables	1.245	1.251
Total non-current	**2.780**	**1.251**
Current		
VAT payables	14.578	11.679
Employee related payables	3.139	4.626
Other payables	1.380	1.133
Total current	**19.097**	**17.438**

Consolidated financial statements 1 January – 31 December

Notes

18 Provisions
EUR'000

	2021	2020
At 1 January	6.008	4.243
Arising during the period	4.134	6.008
Utilised	-6.008	-4.243
Unused amounts reversed	0	0
At 31 December	4.134	6.008
Current	4.134	6.008
Non-current	-	-

Provisions comprise provisions for sold products expected to be returned in the coming year. The return provision is utilised during the financial year.

19 Deferred income
Deferred income consists of payments received from customers that cannot be recognised as revenue until in the subsequent financial year.

20 Change in working capital

EUR'000	2021	2020
Change in inventory	-6.420	-28.248
Change in receivables	17.947	-6.650
Change in trade payables etc.	9.158	11.565
Total	**20.685**	**-23.333**

21 Contractual obligations and contingencies etc.
Contingent liabilities
The parent company is jointly taxed with the Danish entities within the FTW Holding ApS Group, with FTW Holding ApS as the administrative company. The parent company is, together with the other Danish companies in FTW Holding ApS Group, liable for corporate taxes and withholding taxes on dividends, interests and royalties.

In December 2021, Abacus Medicine Hungary Kft. entered into a rent contract for a new administration building in Budapest. With the new contract the company has made a commitment of at least five years, totalling a contingent liability of EUR 1.5 million.

Abacus Medicine Group is currently party to certain lawsuits, disputes etc. of various scopes. In management's opinion, apart from items recognised in the statement of financial position or disclosed in the financial statements, the outcome of these lawsuits, disputes etc., individually and in the aggregate, is not expected to have a material impact on Abacus Medicine's financial position.

22 Mortgage and collateral

Bank debt of EUR 1.5 million within Wagner Family Holding has been secured by way of a pledge on a number of shares in Abacus Medicine A/S.

Bank debt of EUR 49 million within Abacus Medicine has been secured by way of a pledge on all of Abacus Medicine's existing as well as future receivables, totalling EUR 31 million (2020: EUR 31 million), in intangible assets totalling EUR 21 million (2020: EUR 17 million), plant and equipment totaling EUR 2 million (2020: EUR 2 million) and inventories totalling EUR 89 million (2020: EUR 95 million).

In addition, the shares in the subsidiary Abacus Medicine Hungary Kft., totalling EUR 2.5 million (2020: EUR 2.4 million), and the shares in the subsidiary Abacus Medicine Berlin Gmbh, totalling EUR 0.5 million (2020: EUR 0.4 million), have been provided as collateral.

Bank debt of EUR 3 million (2020: EUR 4 million) within Pluripharm has been secured by way of a pledge on the property totalling EUR 4 million (2020: EUR 4 million).

Consolidated financial statements 1 January – 31 December

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23 Financial risk and financial instruments

The derivative financial instruments are measured at level 2 (observable input) of the fair value hierarchy.

The subsidiary Abacus Medicine A/S uses cash flow hedges as part of hedging highly proable forecast sales and purchases in other currencies than EUR. Historically this has mainly been SEK, GBP and NOK. The fair value of the hedges has been recognised under “Other payables” and equity under the FX hedge reserve. The table below shows the timing of the nominal values of the subsidiary Abacus Medicine’s hedging items:

	Nominal value (local currency '000)	Expiry below 1 year	Expiry 1-5 years	Expiry above 5 years	Average hedging price	Fair value assets	Fair value liabilities	Change in fair value used for measuring cash flow hedge reserve
2021								
SEK/EUR	30.048	30.048	-	-	1 SEK/1 EUR	20	-	20
						20	-	20
2020								
SEK/EUR	32.119	32.119	-	-	1 SEK/1 EUR	-	53	-53
						-	53	-53

24 Related party disclosures

The related parties of FTW Holding ApS comprise the following:

Related party	Residence	Reason for related party
Flemming Wagner Tina Wagner	Gammel Kongevej 105, 05. tv. 1850 Frederiksberg C	Shareholders

The following shareholders are registered with an ownership share exceeding 5%:

Shareholder	Residence
Flemming Wagner Tina Wagner	Gammel Kongevej 105, 05. tv. 1850 Frederiksberg C

Transactions to and from related parties are made at terms equivalent to those that prevail in arm’s length transactions.

Executives

The FTW Holding ApS’s related parties with significant influence includes the Board of Directors in the subsidiary Abacus Medicine A/S and executives in the parent company, including these employees’ family members, and entities in which these executives have a significant influence.

The remuneration to executives is disclosed in note 4.

25 Business combinations

Acquisition of Pluripharm Holding B.V. (previously Goofy-Sam Holding B.V.)

In July 2020, Abacus Medicine A/S acquired the Dutch wholesaler Pluripharm Groep B.V. and all shares in its parent company, Pluripharm Holding B.V., in a deal combining a cash injection and conversions of loans and trade receivables. Pluripharm is a full-range wholesaler of pharmaceuticals, medical devices and related products and services to pharmacies and hospitals.

Consideration transferred

The consideration transferred for the shares in Pluripharm Holding B.V. was EUR 1 and subsequently a capital contributions in cash (EUR 8.5 million) and remission of debt (EUR 7.2 million) has been made.

26 Events after the reporting period

No events have occurred after the balance sheet date which could have a material effect on FTW Holding ApS’ financial position at 31 December 2021.

Parent Company financial statements 1 January – 31 December

Income statement

Note	EUR'000	2021	2020
	Other external costs	-7	-89
2	Staff costs	-29	-14
	Operating profit	**-36**	**-103**
3	Share of profit from equity investments in group entities and other investments	-123	62
	Finance expenses	-24	-416
	Profit before tax	**-183**	**-457**
4	Tax	10	23
	Profit for the period	**-173**	**-433**

Proposed distribution of profit		
Transferred to reserve for net revaluation according to the equity method	-946	62
Retained earnings	236	-2.109
Proposed dividends	538	1.613
	-173	**-433**

Parent Company financial statements 1 January – 31 December

Balance sheet

Note	EUR'000	2021	2020
	ASSETS		
	Non-current assets		
3	Equity investments in group entities and other investments	27.341	27.936
	Total non-current assets	**27.341**	**27.936**
	Current assets		
	Receivables from group entities	800	789
	Income tax receivables	39	794
	Other receivables	273	275
	Cash	3.486	4.537
	Total current assets	**4.598**	**6.395**
	TOTAL ASSETS	**31.939**	**34.331**
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	16	16
	Reserve for net revaluation according to the equity method	20.562	21.157
	Retained earnings	10.670	10.435
	Proposed dividends	538	1.613
	Total equity	**31.785**	**33.221**
	Current liabilities		
	Payable to from group enterprises	140	337
	Tax payable	2	752
	Other payables	12	21
	Total current liabilities	**154**	**1.110**
	Total liabilities	**154**	**1.110**
	TOTAL EQUITY AND LIABILITIES	**31.939**	**34.331**

5 Contractual obligations and contingencies etc.
6 Mortgage and collateral
7 Related party disclosures
8 Events after the reporting period

Parent Company financial statements 1 January – 31 December

Statement of changes in equity

EUR'000

	Share capital	Reverse for net re-valuation according to the equity method	Retained earnings	Proposed Dividends	Total
Equity 1 January 2021	**16**	**21.157**	**10.435**	**1.613**	**33.221**
Capital injection	-	-	-	-	0
Profit for the year	-	-946	236	538	-173
Dividends paid				-1.613	-1.613
Equity movements in subsidiary, etc.	-	352	-1	-	351
Equity 31 December 2021	**16**	**20.563**	**10.670**	**538**	**31.786**
Equity 1 January 2020	**15**	**20.781**	**12.497**	**-**	**33.293**
Capital injection	1	-	23	-	24
Profit for the period	-	62	-2.109	1.613	-434
Equity movements in subsidiary, etc.	-	314	24	-	338
Equity 31 December 2020	**16**	**21.157**	**10.435**	**1.613**	**33.221**

The share capital consist of 116.995 shares with a nominal value of 1.00 DKK each. None of the shares are assigned with special rights.

The share capital has since the establisment of the Company in September 2018 been increased with nominal shares of 2.000 in 2019 and 35 in 2020.

Parent Company financial statements 1 January – 31 December

Overview of notes for the parent company

Parent Company financial statements 1 January – 31 December

Notes

1 Accounting policies

For general information about the Parent Company, FTW Holding ApS, including description of its principal activities, reference is made to note 1 in the consolidated financial statements. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Basis of preparation

The Financial statements of FTW Holding ApS for 2021 has been prepared in accordance with the provisions applying to medium-sized reporting class C entities under the Danish Financial Statements Act. The Financial Statements for 2021 are presented in EUR.

Financial statements of the Parent Company

The accounting policies of the Parent Company are consistent with those applied in the consolidated financial statements, note 1 in the consolidated financial statements, including the below accounting policies for investments in group subsidiaries.

Cash flow statement

The parent company is omitted from preparation of cash flow statement in accordance the Danish Financial Statements Act 86 section 4. For cash flow, reference is made to the group consolidated financial statements.

Equity investments in group entities

The Parent’s equity investments in group entities are accounted for using the equity method. FTW Holding ApS has chosen to consider the equity method as a consolidation method.

Under the equity method, an investment in the group entity is initially recognised at cost. The carrying amount of the investment is adjusted to recognize changes in the parent's share of net assets of the subsidiary since the acquisition date. Goodwill relating to the group entity is included in the carrying amount of the investment and is not tested for impairment separately, however the carrying amount of the equity investments in group entities is subject to an annual test for indications of impairment. Goodwill in group entities is amortised over 10 years.

The statement of profit or loss reflects the parent’s share of the results of operations of the group entities. Any change in other comprehensive income of those group entities is presented as part of the parent's other comprehensive income. In addition, where a change has been recognised directly in the equity of the group entity, the Parent recognizes its share of any changes, when applicable, in the statement of

Reserve for net revaluation according to the equity method

Net revaluation of equity investments in group entities is recognised at cost in the reserve for net revaluation according to the equity method if the earnings amount exceeds the costs. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

2 Staff costs

EUR'000	**2021**	**2020**
Wages and salaries	29	14
Pensions	0	0
Other social securities costs	0	0
Other staff costs	0	0
Total staff costs	**29**	**14**

The average number of full-time employee was 0 (2020: 0 employee).

Parent Company financial statements 1 January – 31 December

Notes

3 Equity investments in group entities and other investments

Name	Registered office	Ownership 2021 and voting rights	Ownership 2020 and voting rights
FTW Invest ApS	Denmark	100,0%	100,0%
Wagner Family Holding ApS	Denmark	92,8%	92,8%
Abacus Medicine A/S	Denmark	57,5%	58,1%
Abacus Medicine Hungary Kft.	Hungary	100%	100%
Abacus Medicine B.V.	The Netherlands	100%	100%
+365 Medicines GmbH	Germany	100%	100%
Abacus Medicine Berlin GmbH	Germany	100%	100%
Abacus Medicine Ltd	United Kingdom	100%	100%
Abacus Medicine Austria GmbH	Austria	100%	100%
Abacus Medicine France S.A.S.	France	100%	100%
Abacus Medicine Finland Oy	Finland	100%	100%
Abacus Medicine Ireland Ltd.	Ireland	100%	100%
PharmaSave BVBA	Belgium	100%	100%
Originalis B.V.	The Netherlands	100%	100%
Zdrave Med Ltd.	Bulgaria	100%	100%
Abacus Medicine Pharma Services ApS	Denmark	100%	100%
Abacus Medicine Pharma Services Ltd.	United Kingdom	100%	100%
Abacus Medicine Pharma Services Asia Ltd.	Hong Kong	100%	100%
Abacus Medicine Pharma Services Inc.	USA	100%	100%
Abacus Medicine Pharma Services B.V.	The Netherlands	100%	100%
Aposave Mexico S de RL de	Mexico	100%	100%
ApoSave Peru*	Peru	-	100%
Pluripharm Holding B.V.	The Netherlands	100%	100%
Pluripharm Groep B.V.	The Netherlands	100%	100%
Thuis-apotheek B.V.	The Netherlands	50%	50%
Clinic Care Services B.V.	The Netherlands	17%	17%
Pluripharm B.V.	The Netherlands	100%	100%
Pluripack Alkmaar	The Netherlands	100%	100%
Pluripack Zwolle	The Netherlands	100%	100%
Pluripack Breda	The Netherlands	100%	100%
Pluriplus B.V.	The Netherlands	100%	100%
Distrimed B.V	The Netherlands	100%	100%
Pluripharm Apotheek Beheer B.V.	The Netherlands	100%	100%
Apotheekfonds Pharmaconnect B.V.	The Netherlands	50%	50%
Pluripharm Direct B.V.	The Netherlands	100%	100%
Risus Financieringen B.V.*	The Netherlands	-	100%
Phardis B.V.	The Netherlands	100%	100%
Instellingsapotheek B.V.	The Netherlands	100%	100%
Instellingsapotheek Gelderse Vallei B.V.*	The Netherlands	-	100%
Instellingsapotheek Oost B.V.*	The Netherlands	-	100%
Instellingsapotheek Zuidwest B.V.*	The Netherlands	-	100%
DayDose ApS	Denmark	100%	100%

* Company liquidated in 2021.

Parent Company financial statements 1 January – 31 December

Notes

3 Equity investments in group entities and other investments (continued)

EUR'000	**2021**	**2020**
Cost as at 1 January	6.779	6.755
Addition	0	24
Cost as at 31 December	6.779	6.779
Value adjustments as at 1 January	21.157	20.781
Ownership portion of profit for the year	-123	62
Ownership portion of equity movement in group entities etc.	352	314
Dividend received	-823	0
Value adjustments as at 31 December	20.562	21.157
Carrying value as at 31 December	**27.341**	**27.936**
Which are presented as follows:		
Equity investments in group entities and other investments	27.341	27.936
As at 31 December	**27.341**	**27.936**

4 Tax
Income statement

EUR'000	**2021**	**2020**
Current income tax	10	23
Relating to origination and reversal of temporary difference	-	-
Tax	**10**	**23**

5 Contractual obligations and contingencies etc.
Contingent liabilities
FTW Holding ApS is jointly taxed with the Danish entities within the FTW Holding ApS group, with FTW Holding ApS as the administrative company. FTW Holding ApS is, together with the other Danish companies in FTW Holding ApS group, liable for corporate taxes and withholding taxes on dividends, interests and royalties.

6 Mortgage and collateral
For information on mortgage and collateral for the Group, please refer back to the note 22 in the consolidated financial statements. The parent company has no pledges or collaterals.

FTW Holding ApS has pledged the shares in Wagner Family Holding ApS as security for the bank loans within the Group. For detailed desciption of terms and amounts please refer back to note 22 in the consolidated financial statements.

7 Related party disclosures
Controlling Influence
The related parties of FTW Holding ApS is disclosed in note 24 of the consolidated financial statements.

8 Events after the reporting period
No events have occurred after the balance sheet date which could have a material effect on FTW Holding ApS' financial position at 31 December 2021.

Statement by Management on the annual report

Today, the Executive Management have discussed and approved the Annual Report of FTW Holding ApS for the financial year 1 January – 31 December 2021.

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

In our opinion, the consolidated financial statements and the Parent Company financial statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2021 and of the results of the Group's and the Parent Company's operations and the Group's cash flow for the financial year 1 January – 31 December 2021.

In our opinion, the Management's Review includes a true and fair review of the development in the Group's and the Parent Company's operations and financial conditions, of the results for the year and of the financial position of the Group and the Parent Company, as well as a description of the more significant risks and uncertainty facing the Group and the Parent Company.

We recommend that the Annual Report be approved at the Annual General Meeting.

Copenhagen, 21 June 2022
Executive Management:

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Flemming Wagner
CEO

Independent auditor's report

To the shareholders of FTW Holding ApS

Opinion
We have audited the financial statements of FTW Holding ApS for the financial year 1 January – 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including 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 financial position of the Company at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
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.

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 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

► Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

To the shareholders of FTW Holding ApS

Auditor's responsibilities for the audit of the financial statements (continued)

► 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 note 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.

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, 21 June 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen
State Authorised
Public Accountant
mne33717

Ole Becker
State Authorised
Public Accountant
mne33732

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Flemming Wagner
Executive Board
On behalf of: FTW Holding ApS
Serial number: PID:9208-2002-2-571632621434
IP: 83.151.xxx.xxx
2022-06-21 12:57:25 UTC
NEM ID

Ole Becker
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:65669285
IP: 145.62.xxx.xxx
2022-06-21 13:13:16 UTC
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Jan C Olsen
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:28761615
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2022-06-21 15:37:11 UTC
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Torben Mauritzen
Chairman
On behalf of: FTW Holding ApS
Serial number: 46707806-f92f-436b-8e18-99b42cb8ff4a
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2022-06-21 20:18:53 UTC
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