FTW Holding ApS
Annual Report 2022

Approved at the Company's annual general meeting on 4 May 2023
Chairman of the meeting:

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Chairman of the annual general meeting
Torben Mauritzen

Contents

Management's review

Financial highlights

In EUR'000	2022	2021	2020	2019	15 Sept. - 31 Dec. 2018*
Key figures					
Revenue	1.023.978	940.754	663.601	421.529	90.419
Gross profit	105.542	81.536	67.524	49.839	11.477
Operating profit before depreciations and amortisation (EBITDA)	26.055	16.452	12.534	13.483	3.716
Operating profit (EBIT)	14.068	5.737	4.308	3.031	1.716
Financial expenses, net	-6.182	-4.418	-4.439	-3.034	-843
Profit for the period	5.117	-240	-952	-1.349	603
Non-current assets	61.146	60.621	55.784	24.483	17.922
Current assets	174.056	157.382	168.662	108.649	78.359
Total assets	235.202	218.003	224.446	133.132	96.281
Portion relating to investments in items of property, plant and equipment	1.973	2.327	2.031	1.985	395
Portion relating to investments in intangible assets	6.635	7.354	6.895	6.436	2.733
Equity	61.563	56.471	57.174	56.229	10.210
Non-current liabilities	13.875	16.544	8.014	4.412	2.032
Current liabilities	159.764	144.988	159.258	72.491	84.039
Cash flow from operating activities	31.079	30.935	-14.350	-35.056	79
Cash flow from investing activities	-8.687	-9.597	-9.004	-8.541	-3.119
Of which relate to intangible assets	-6.635	-7.354	-6.895	-6.436	-2.733
Of which relate to tangible assets	-1.973	-2.327	-2.031	-1.985	-395
Cash flow from financing activities	-15.842	-19.587	20.804	50.312	3.166
Total cash flow	6.550	1.751	-2.550	6.715	126
Key ratios					
Gross Margin	10,3%	8,7%	10,2%	11,8%	12,7%
EBITDA Margin	2,5%	1,7%	1,9%	3,2%	4,1%
Solvency	26,2%	25,9%	25,5%	42,2%	10,6%
Average number of employees	1.140	1.052	913	623	450

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

Gross margin $\dfrac{\text{Gross profit x 100}}{\text{Revenue}}$

Operating profit before depreciations and amortisations (EBITDA) margin $\dfrac{\text{Operating profit excl. amortisation and depreciation x 100}}{\text{Revenue}}$

Solvency ratio $\dfrac{\text{Closing equity x 100}}{\text{Total assets}}$

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. Abacus Medicine Group is established as one of the market leaders in parallel distribution. We are growing within pharmaceutical services and also operate as a medicine wholesaler.

The result for the year in the consolidated financial statements ended at a profit of EUR 5.1 million, which is satisfactory.

Restrictions related to COVID-19 were lifted in most European countries, and the order patterns for pharmaceutical products gradually returned to more normal levels. Despite the outbreak of the war in Ukraine and the following increase in inflation and raw material prices, the pharmaceutical industry generally proved moderately impacted and all parts of the Abacus Medicine Group delivered solid organic growth.

The Abacus Medicine parallel distribution business saw growth and profitability in most markets.

The service offerings of Abacus Medicine Pharma Services attracted new customers and led to strong revenue growth.

Pluripharm continued to attract new pharmacy customers and gain market share in the retail market, which kept them competitive in the Dutch market for pharmaceutical wholesaling.

As a result of the above, revenue for the Abacus Medicine Group grew 9% in 2022 to EUR 1,024 million against 941 million in 2021. EBITDA for the Abacus Medicine Group grew 58% in 2022 to 26.2 million against 16.6 million in 2021. This resulted in an EBITDA-margin of 2.6%. The development was in line with the Outlook. This is the Group's highest revenue and EBITDA ever.

Profit for the year for the Abacus Medicine Group was EUR 5.8 million (2021: EUR 0.4 million), which was satisfactory.

The result for DayDose ApS ended with a loss of DKK 0.2 million.

The average number of full time employees was 1,140 in 2022.

Investing in new licences and IT

In 2022, the Abacus Medicine Group expanded the portfolio of product licences. In combination with investments in IT, the result was an increase in Intangible assets to EUR 33.1 million from 32.4 million the year before. Assets in the form of Property, plant and equipment decreased from EUR 11 million in 2021 to EUR 10.4 million in 2022.

Current assets, mainly in the form of Inventory and Trade and other receivables, increased to EUR 174.7 million in 2022 against 157.7 million in 2021.

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 above.

Outlook for 2023

Despite the geopolitical unrest and volatile energy in financial markets, we expect the pharmaceutical industry generally remains moderately impacted, and that favourable long-term trends will support robust growth in prescriptions and pharmaceutical services.

For 2023, Management expects that the FTW Group will achieve organic revenue growth of around 6-11%.

The FTW Group revenue is expected to be within the range of EUR 1,090-1,140 million and the EBITDA margin is expected to be within the range of 2.2%-2.6% in 2023.

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

Events after the balance sheet date

No events have occurred after the balance sheet date which could have a material effect on FTW Holding ApS' financial position at 31 December 2022.

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
Abacus Medicine sells finished products and purchases products in currencies other than EUR and is therefore exposed to a currency risk. The exposure to fluctuations in EUR/DKK is considered to be limited due to Denmark's fixed exchange rate policy towards EUR and is consequently not hedged. Sales in SEK, NOK and GBP are considered a risk, as the currency historically has been unstable compared to EUR/DKK. 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

In 2022, we continued our work with sustainabaility and ESG across the Abacus Medicine Group with 6 focus programs covering various areas within our business. We strive to contribute to the international community we are part of and acknowledge the responsibility and impact we have on the society and environment. ESG is a naturally incorporated part of our strategy, as we believe that working strategically with ESG will create the highest value. Abacus Medicine have, for the second time, created a Sustainability Report. The report gives detailed information on sustainability activities for the year, including ESG impact. 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 2022, the Group worked with the following 6 focus programs:

- Waste & Sourcing
- Transportation
- Diversity & Inclusion
- Community Engagement
- Supplier Code of Conduct
- ESG Reporting

Waste & Sourcing, and Transportation are part of our Environmental focus area
The purpose of the Transportation program is to investigate and measure the environmental impact of transporting medicine.
The purpose of the Waste & Sourcing program is to find environmentally friendly and sustainable solutions for handling our waste and therefore mitigating the environmental impact of our processes. Moreover, the program drives our efforts to have a more strategic and sustainable sourcing process, including packaging material as well as indirect and technical procurement.

Diversity & Inclusion, and Community Engagement are part of our Social focus area
In 2022, the focus of the Diversity & Inclusion (D&I) focus program has been on developing a D&I Strategy for the Abacus Medicine Group. At the centre of our D&I Strategy is conscious inclusion.
The Community Engagement focus program is in place to secure processes and policies around humanitarian activities such as volunteer work, donations, and sponsorships in the Abacus Medicine Group.

Supplier Code of Conduct and ESG Reporting are part of our Governance focus area
The purpose of the Supplier Code of Conduct is to ensure that all our suppliers comply with the given set of legal, ethical, regulatory, and moral guidelines that the Abacus Medicine Group has put forward.
The purpose of The ESG Reporting is to increase the focus on the ability to measure our impact. Being able to measure our footprint, makes us equipped to set targets and find areas to improve.

Management's review (continued)

Sustainability approach
In 2022, 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.

Reporting on gender distribution, cf. FSA §99b
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 (2021: 0 employees).

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	70%
Women	30%

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 and Asia. The core business is known as parallel distribution. We help to reduce healthcare costs by giving patients in 38 countries around the world access to medicine at a lower price.

Human Rights and Anti-Corruption
Abacus Medicine has zero tolerance regarding slavery and human trafficking, and have therefore adopted Modern Slavery Policies, 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 2022, FTW Holding Group, therefore, have communicated these policies to relevant suppliers.

Through an investigation into breeches of the policies in 2022, 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

In the Abacus Medicine Group, we strive to contribute to the international community we are part of and acknowledge the responsibility and impact we have on the society and environment. Therefore, we recognise and support the United Nations 17 Sustainable Development Goals. In 2022, Abacus Medicine worked with six focus programs that all support our core ESG efforts and ensure that ESG is increasingly becoming an integral part of our operations and processes.

As a result of our business model, energy consumption, CO2 emissions from transport and waste are considered to pose significant risks to environmental and climatic conditions.

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.

In 2022, the Transportation program focused on mapping out the inbound and outbound transportation. This was successfully achieved, and defined the boundaries for measuring our Scope 3 emissions in our supply chain.

Further, as a part of the Waste & Sourcing program, the test phase of a new plastic baler at our largest production site in Hungary was started. This was an important step for our waste management system, as it enables us to include plastic waste in our recycling efforts. Moreover, we have taken steps to recycle hazardous waste and are currently focusing on sending electronicwaste for recycling.

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 2022, a set of focus group discussions were held as part of the program to optimize global cooperation and information flows.

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

Data ethics

We protect fundamental rights in relation to personal data. Our Personal Data and Privacy Policy and Guidelines for Handling of Personal Data can be found on our website. They ensure that we comply with laws and regulations in relation to the protection of personal data.

The Abacus Medicine Group mainly trades business to business and therefore only deals with a limited amount of personal data. The Group has not implemented any technologies that would give rise to ethical concerns regarding personal data. Therefore we have not implemented a Data Ethics Policy.

The use of non-personal data within the Abacus Medicine Group does not involve any new technologies that give rise to ethical concerns. The need for a Data Ethics Policy will be re-evaluated in 2023.

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

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Income statement

Note	EUR'000	2022	2021
2	Revenue	1.023.978	940.754
	Cost of sales	-918.436	-859.218
	Gross profit	**105.542**	**81.536**
3	Other external costs	-26.540	-23.057
4,5	Staff costs	-52.947	-42.027
	Operating profit before depreciations and amortisation (EBITDA)	**26.055**	**16.452**
6	Depreciation, amortisation and impairment	-11.987	-10.715
	Operating profit (EBIT)	**14.068**	**5.737**
7	Share of profit (loss) in associates	-121	-17
8	Finance income	136	112
8	Finance expenses	-6.318	-4.530
	Profit before tax	**7.765**	**1.302**
9	Tax	-2.648	-1.542
	Profit for the period	**5.117**	**-240**
	Profit for the period attributable to:		
	FTW Holding ApS	2.660	-180
	Non-controlling interests	2.457	-60
		5.117	**-240**

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Balance sheet

Note	EUR'000	2022	2021
	ASSETS		
	Non-current assets		
10	Intangible assets	31.070	30.911
11	Property, plant and equipment	10.432	10.968
12	Right-of-use assets	9.482	9.808
	Investments in associates	84	123
	Other receivables	5.505	4.632
15	Deferred tax assets	4.573	4.179
	Total non-current assets	**61.146**	**60.621**
	Current assets		
	Raw materials and consumables	75.505	72.184
	Manufactured goods and goods for resale	41.281	41.281
	Trade receivables	17.021	21.105
13	Other receivables	25.004	14.060
	Prepayments	1.263	1.198
	Cash	13.982	7.554
	Total current assets	**174.056**	**157.382**
	TOTAL ASSETS	**235.202**	**218.003**
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	16	16
	Other reserves	-411	-503
	Retained earnings	32.908	31.734
	Proposed dividends	1.614	538
	Shareholders in FTW Holding ApS' share of equity	**34.127**	**31.785**
14	Non-controlling interests	27.436	24.686
	Total equity	**61.563**	**56.471**
	Non-current liabilities		
15	Deferred tax liabilities	4.253	4.135
16	Borrowings	0	1.838
12	Lease liabilities	7.382	7.791
17	Other payables	2.240	2.780
	Total non-current liabilities	**13.875**	**16.544**
	Current liabilities		
18	Provisions	4.257	4.134
12	Lease liabilities	2.825	2.353
16	Borrowings	42.105	51.861
	Trade payables	84.351	66.903
	Income tax payable	2.718	632
17	Other payables	23.500	19.097
19	Deferred income	8	8
	Total current liabilities	**159.764**	**144.988**
	Total liabilities	**173.639**	**161.532**
	TOTAL EQUITY AND LIABILITIES	**235.202**	**218.003**

21 Contractual obligations and contingencies etc.
22 Mortgage and collateral
23 Financial risk and financial instruments
24 Related party disclosures
25 Events after the reporting period

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Cash flow statement

Note	EUR'000	2022	2021
	Operating activities		
	Profit before tax	7.765	1.302
	Adjustments to reconcile profit before tax to net cash flow:		
6	Depreciation, amortisation and impairment	11.987	10.715
	Share of profit (loss) in associates	121	17
	Finance income	-136	-112
	Finance expenses	6.318	4.530
	Working capital adjustments:		
	Non-cash items, net	875	-1.503
20	Changes in working capital	10.360	20.685
8	Interest received	88	112
8	Interest paid	-5.465	-3.448
	Income tax paid	-834	-1.363
	Net cash flow from operating activities	**31.079**	**30.935**
	Investing activities		
10	Purchase of intangible assets	-6.635	-7.354
11	Purchase of property, plant and equipment	-1.973	-2.327
	Disposals non-current assets	54	15
	Change in paid deposits	-133	69
	Net cash flow used in investing activities	**-8.687**	**-9.597**
	Financing activities		
	Proceeds from borrowings (credit facility)	-11.705	-17.443
	Proceeds from exercise of warrants	237	247
	Repayment of lease liabilities	-3.086	-2.213
	Deposits regarding bank agreement	-740	1.499
	Dividends	-548	-1.677
	Net cash flow from financing activities	**-15.842**	**-19.587**
	Cash flow for the period	**6.550**	**1.751**
	Cash at beginning of the period	7.554	5.803
	Effect of exchange rate changes on cash in a foreign currency	-122	0
	Cash at 31 December	13.982	7.554

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

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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 2022	**16**	**-169**	**-334**	**31.734**	**538**	**31.785**	**24.686**	**56.471**
Capital injection	-	-	-	126	-	126	111	237
Profit for the year	-	-	-	1.046	1.614	2.660	2.457	5.117
Cash flow hedges – effective portion of changes in fair value	-	-10	-	-	-	-10	-9	-19
Exchange differences on translation of foreign operations	-	-	100	-	-	100	88	188
Tax on other comprehensive income	-	2	-	-	-	2	2	4
Dividends paid	-	-	-	-	-538	-538	-10	-548
Equity-settled share-based payments	-	-	-	62	-	62	54	116
Change in ownership	-	-	-	-60	-	-60	57	-3
Total equity movements	**-**	**-8**	**100**	**1.174**	**1.076**	**2.342**	**2.750**	**5.092**
Equity 31 December 2022	**16**	**-177**	**-234**	**32.908**	**1.614**	**34.127**	**27.436**	**61.563**
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
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**

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.

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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 2022, 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 2022 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 2022. 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 relative values of the operation disposed of and the portion of the cash-generating unit retained.

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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Notes

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

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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) in accordance with IFRS 16.

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

	2022					2021				
EUR'000	**Abacus Medicine**	**Pluripharm**	**Other**	**Eliminations**	**Total**	**Abacus Medicine**	**Pluripharm**	**Other**	**Eliminations**	**Total**
Revenue	719.079	324.643	-	-19.744	**1.023.978**	672.073	284.647	14	-15.980	**940.754**
Gross Profit	86.644	18.898	-	-	**105.542**	63.483	18.053	1	-	**81.536**
EBITDA	25.784	377	-106	-	**26.055**	16.104	458	-110	-	**16.452**
Total Assets	181.462	51.514	2.227	-	**235.203**	172.659	42.917	2.427	-	**218.003**
Total Liabilites	127.359	44.626	1.654	-	**173.639**	127.413	33.517	602	-	**161.532**

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	**2022**	**2021**
Audit	330	289
Other assurance engagements	0	1
Total audit related services	**330**	**290**
Other non-audit services	2	4
Total fee to EY	**332**	**294**

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

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4 **Staff costs**

EUR'000	**2022**	**2021**
Wages and salaries	46.272	36.657
Pensions, defined contribution plans	2.873	2.550
Other social security costs	683	655
Other staff costs	3.806	3.005
Share-based payment expense	116	183
Total staff costs	**53.750**	**43.050**
Of which are capitalised as intangible assets	-803	-1.017
Total staff costs in the income statement	**52.947**	**42.033**

	2022	**2022**
Average number of full-time employee (full year)	1.140	1.052

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 3,086 thousand (2021: EUR 3,023 thousand) for the year ended 31 December 2022, hereof pension payments of EUR 203 thousand (2021: EUR 202 thousand).
The above is split between an average of 15 members (2021: 16 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. Share-based plans hasb been established in 2018, 2020, 2021 and 2022, of which the share plans from 2020-2022 are still open.

Below is a brief description of each of the 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.

Warrant agreements entered into in November 2022 allow those eligible to subscribe for up to 96,405 new shares of EUR 0.05 each in Abacus Medicine A/S. The subscription price is EUR 11.20 per share, corresponding to a total potential subscription price of approximately EUR 1,080 thousand. This warrant agreement only allows setlement with shares which must take place in April 2027 at the latest. The warrant scheme has been accounted for as an equity-setled program.

EUR'000	**2022**	**2021**
Equity-settled expense	116	183
Total share-based payment expense	**116**	**183**

Consolidated financial statements 1 January – 31 December

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5 Share-based payments (continued)

Specification of outstanding share options

	Key managem. personnel	Other employees	Total number	Average exercise price per option (EUR)
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	0	10.42
Outstanding at 31 December 2021	**59.503**	**206.949**	**266.452**	
Granted	19.850	76.555	96.405	
Forfeited	-10.000	-18.272	-28.272	
Exercised	-17.340	-6.028	-23.368	10.16
Outstanding at 31 December 2022	**52.013**	**259.204**	**311.217**	
Exercisable at 31 December 2022	-	-	-	

The average remaining contractual life for the share options outstanding at 31 December 2022 was 3.3 years (2021: 3.1 years). The exercise prices are between EUR 10.16 - EUR 11.20 per share option (2021: EUR 10.16 - EUR 10.93).

In 2022, the expense in regards to share-based payments recognised in the income statement amounts to EUR 116 thousand (2021: EUR 183 thousand).

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

	2022	2021	2020
	Equity Settled	**Equity Settled**	**Equity Settled**
Weighted average fair values at measurement date	5.9	5.1	2.7
Weighted average share price	14.9	14.6	12.0
Exercise price	11.2	10.9	10.2-13.5
Expected volatility (%)	31%	35%	35%
Expected life of share options	53 months	52-53 months	1-60 months
Dividend yield (%)	0,0%	0,0%	0,0%
Risk-free interest rate (%)	1.0%/1.4%	-0.5%/-0.6%	-0.4-0.6 %
Valuation method	Black-Scholes	Black-Scholes	Black-Scholes

The expected volatility reflects 31%-35%, which is based on a peer Group median.

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6 Depreciation, amortisation and impairment

EUR'000	2022	2021
Amortisation and write-downs, intangible assets	6.445	5.809
Depreciation, property, plant and equipment	2.200	2.430
Depreciation, right-of-use assets	3.342	2476,08
Total	**11.987**	**10.715**

7 Investments in subsidiaries and other investments

Name	Registered office	Ownership 2022 and voting rights	Ownership 2021 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%	57,5%
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%
Abacus Medicine WH B.V.*	The Netherlands	100%	-
Aposave S.L.*	Spain	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%
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%
Phardis B.V.	The Netherlands	100%	100%
Instellingsapotheek B.V.	The Netherlands	100%	100%
DayDose ApS	Denmark	100%	100%

* Newly established company in 2022.

Consolidated financial statements 1 January – 31 December

Notes

8 Finance income and expenses

EUR'000	**2022**	**2021**
Finance income		
Other finance income	88	112
Total finance income	**88**	**112**

EUR'000	**2022**	**2021**
Finance expenses		
Other finance costs	5.390	3.448
Interests, lease liabilities	321	197
Amortised loan costs	110	207
Foreign exchange loss, net	449	678
Total finance expenses	**6.270**	**4.530**

9 Income tax

EUR'000	**2022**	**2021**
Current income tax		
Current income tax charge	3.036	1.110
Adjustment in respect of current income tax of previous year	-115	-7
Deferred tax		
Relating to origination and reversal of temporary difference	-273	439
Income tax expense reporting in the income statement	**2.648**	**1.542**

Consolidated financial statements 1 January – 31 December

Notes

10 Intangible assets

EUR'000	Development costs	Software	Licenses	IP Rights	Goodwill	Total
Cost 1 January 2022	-	15.866	26.394	1.097	5.507	48.864
Currency translation	-	-15	-45	-	1	-59
Additions	-	82	1.730	-	-	1.812
Additions internally developed	1.447	-	3.376	-	-	4.823
Reclassification	-1.447	1.447	-	-	-	-
Cost 31 December 2022	0	17.380	31.455	1.097	5.508	55.440
Amortisation and impairment 1 January 2022	-	4.540	10.787	1.097	1.529	17.953
Currency translation	-	-9	-19	-	-	-28
Amortisation	-	1.804	3.529	-	550	5.883
Write-downs	-	277	285	-	-	562
Amortisation and impairment 31 December 2022	-	6.612	14.582	1.097	2.079	24.370
Carrying amount 31 December 2022	**0**	**10.768**	**16.873**	**0**	**3.429**	**31.070**

Development costs comprise capitalised expenses for the new ERP system for Abacus Medicine Group.

Software is amortised over 3-10 years and Licences are amortised over 5-8 years. Software has been written down with EUR 277 thousand in 2022 (2021: EUR 0 thousand) and Licences has been written down with EUR 285 thousand in 2022 (2021: EUR 223 thousand) due to uncertainty of the future utilisation of the assets. 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 2022	3.796	1.533	11.922	17.251
Currency translation	-	-61	-341	-402
Additions	6	307	1660	1.973
Disposals	-	-37	-197	-234
Cost 31 December 2022	3.802	1.742	13.044	18.588
Depreciation and impairment 1 January 2022	324	838	5.121	6.283
Currency translation	-	-45	-48	-93
Depreciation	179	203	1.818	2.200
Disposals	-	-37	-197	-234
Depreciation and impairment 31 December 2022	503	959	6.694	8.156
Carrying amount 31 December 2022	**3.299**	**783**	**6.350**	**10.432**

Consolidated financial statements 1 January – 31 December

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12 Leases (IFRS 16)

EUR'000	Buildings	Other fixed assets	Total
Right-of-use assets			
Opening balance at 1 January 2022	8.143	1.665	9.808
Additions	1.569	673	2.242
Disposals	-	-	-
Depreciation	-2.547	-795	-3.342
Remeasurement of lease liabilities	562	212	774
Carrying amount at 31 December 2022	**7.727**	**1.755**	**9.482**

Leasing liabilities

Maturity analysis - contractual undiscounted cash flows	**2022**	**2021**
Less than 1 year	3.444	2.634
Between 1 and 5 years	8.197	8.217
More than 5 years	-	-
The undiscounted cash flows	**11.641**	**10.851**
Lease liability recognised on the balance sheet	**10.207**	**10.144**
Current lease liability	2.825	2.353
Non-current lease liability	7.382	7.791
Amount recognised in the income statement		
Interest expense from lease liabilities	321	197
Lease expenses for short-term leases	0	0
Total	**321**	**197**

In 2022, Abacus Medicine paid EUR 3,275 thousand (2021: EUR 2,367 thousand) on lease contracts of which interest payments related to lease liabilities amount to EUR 189 thousand (2021: EUR 154 thousand) and down payments on lease liabilities amounts to EUR 3,086 thousand (2021: EUR 2,213 thousand).

Costs recognised in the period for short-term leases were EUR 0 thousand (2021: EUR 0 thousand) and low-value leases were EUR 0 thousand (2021: EUR 0 thousand). Expenses are recognised on a straight-line basis as Other external costs.

13 Other receivables

EUR'000	**2022**	**2021**
Deposits regarding factoring agreement	4.975	4.235
Other receivables	20.029	9.825
Total	**25.004**	**14.060**

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 0.8 million as of 31 December 2022 (2021: EUR 0.5 million).

14 Non-controlling interests

EUR'000	**2022**	**2021**
Non-controlling interests at 1 January	24.686	23.952
Share of profit for the period	2.457	-60
Equity movements etc.	293	794
Non-controlling interests at 31 December	**27.436**	**24.686**

Consolidated financial statements 1 January – 31 December

Notes

15 Deferred tax

EUR'000	**2022**	**2021**
Deferred tax 1 January	43	500
Currency translation	-1	-1
Deferred tax for the year recognised in the income statement	274	-439
Deferred tax for the year recognised on equity	4	-16
Deferred tax 31 December	320	44

Reflected in the statement of financial position as follows:

Deferred tax assets	4.573	4.179
Deferred tax liabilities	-4.253	-4.135
Deferred tax 31 December	320	44

Deferred tax relates to:

Intangible assets	-4.953	-4.566
Tangible assets	459	444
Tax losses carried forward	4.400	4.000
Other assets and liabilities, net	414	166
Deferred tax 31 December	320	44

16 Borrowings

EUR'000	**2022**	**2021**
Non-current		
Credit institutions and banks	0	1.838
Total non-current	**0**	**1.838**
Current		
Credit institutions and banks	42.105	51.861
Total current	**42.105**	**51.861**

Wagner Family Holding has a credit facility of EUR 2.2 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 2024.

17 Other payables

EUR'000	**2022**	**2021**
Non-current		
VAT payables	995	1.535
Employee related payables	1.245	1.245
Total non-current	**2.240**	**2.780**
Current		
VAT payables	18.496	14.578
Employee related payables	4.866	3.139
Other payables	138	1.380
Total current	**23.500**	**19.097**

Consolidated financial statements 1 January – 31 December

Notes

18 Provisions
EUR'000

	2022	2021
At 1 January	4.134	6.008
Arising during the period	4.257	4.134
Utilised	-4.134	-6.008
Unused amounts reversed	0	0
At 31 December	4.257	4.134
Current	4.257	4.134
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	2022	2021
Change in inventory	-4.007	-6.420
Change in receivables	-6.925	17.947
Change in trade payables etc.	21.292	9.158
Total	**10.360**	**20.685**

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.

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 40 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 32 million (2021: EUR 31 million), in intangible assets totalling EUR 23 million (2021: EUR 21 million), plant and equipment totaling EUR 2 million (2021: EUR 2 million) and inventories totalling EUR 99 million (2021: EUR 89 million).

In addition, the shares in the subsidiary Abacus Medicine Hungary Kft., totalling EUR 2.5 million (2021: EUR 2.5 million), and the shares in the subsidiary Abacus Medicine Berlin Gmbh, totalling EUR 0.7 million (2021: EUR 0.5 million), have been provided as collateral.

Consolidated financial statements 1 January – 31 December

Notes

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
2022								
-	-	-	-	-	-	-	-	-
						-	-	-
2021								
SEK/EUR	30.048	30.048	-	-	1 SEK/1 EUR	20	-	20
						20	-	20

24 Related party disclosures
The related parties of FTW Holding ApS comprise the following:

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

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

Shareholder	Residence
Flemming Wagner	Gammel Kongevej 105, 05. tv.
Tina Wagner	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 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 2022.

Parent Company financial statements 1 January – 31 December

Income statement

Note	EUR'000	2022	2021
	Other external costs	-16	-7
2	Staff costs	-57	-29
	Operating profit	**-73**	**-36**
3	Share of profit from equity investments in group entities	2.686	-123
4	Finance income	59	0
4	Finance expenses	-18	-24
	Profit before tax	**2.653**	**-183**
5	Tax	7	10
	Profit for the period	**2.660**	**-173**

	2022	2021
Proposed distribution of profit		
Transferred to reserve for net revaluation according to the equity method	2.560	-946
Retained earnings	-1.513	236
Proposed dividends	1.614	538
	2.660	**-173**

Parent Company financial statements 1 January – 31 December

Balance sheet

Note	EUR'000	2022	2021
	ASSETS		
	Non-current assets		
3	Equity investments in group entities	30.122	27.341
	Total non-current assets	**30.122**	**27.341**
	Current assets		
6	Receivables from group entities	1.124	800
	Income tax receivables	23	39
7	Other receivables	281	273
	Cash	2.648	3.486
	Total current assets	**4.076**	**4.598**
	TOTAL ASSETS	**34.198**	**31.939**
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	16	16
	Reserve for net revaluation according to the equity method	23.343	20.562
	Retained earnings	9.154	10.670
	Proposed dividends	1.614	538
	Total equity	**34.127**	**31.785**
	Current liabilities		
	Payable to from group enterprises	57	140
	Tax payable	1	2
	Other payables	13	12
	Total current liabilities	**71**	**154**
	Total liabilities	**71**	**154**
	TOTAL EQUITY AND LIABILITIES	**34.198**	**31.939**

8 Contractual obligations and contingencies etc.
9 Mortgage and collateral
10 Related party disclosures
11 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**	**20.562**	**10.670**	**538**	**31.785**
Capital injection	-	-	-	-	0
Profit for the year	-	2.560	-1.513	1.614	2.660
Dividends paid				-538	-538
Equity movements in subsidiary, etc.	-	221	-1	-	220
Equity 31 December 2022	**16**	**23.343**	**9.154**	**1.614**	**34.127**
Equity 1 January 2021	**16**	**21.157**	**10.435**	1.613	**33.221**
Capital injection	-	-	-	-	0
Profit for the period	-	-946	236	538	-173
Dividends paid				- 1.613	-1.613
Equity movements in subsidiary, etc.	-	352	-1	-	351
Equity 31 December 2021	**16**	**20.562**	**10.670**	**538**	**31.785**

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 2022 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 2022 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 changes in equity. Unrealised gains and losses resulting from transactions between the Parent and the group entity are eliminated.

Investments in enterprises with negative net asset values are measured at DKK 0 (nil). The enterprise's proportionate share of any negative equity is set off against receivables from the investment to the extent the receivable is deemed irrecoverable. If the Parent Company has a constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluations of the equity investments in group entities are transferred to the reserve for net revaluation, according to the equity method, to the extent that the carrying amount exceeds the acquisition value.

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	**2022**	**2021**
Wages and salaries	57	29
Pensions	0	0
Other social securities costs	0	0
Other staff costs	0	0
Total staff costs	**57**	**29**

The average number of full-time employee was 0 (2021: 0 employee). Management is not remunerated by the entity.

Parent Company financial statements 1 January – 31 December

Notes

3 Equity investments in group entities

Name	Registered office	Ownership 2022 and voting rights	Ownership 2021 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	57,4%	57,5%
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%
Abacus Medicine WH B.V.*	The Netherlands	100%	-
Aposave S.L.*	Spain	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%
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%
Phardis B.V.	The Netherlands	100%	100%
Instellingsapotheek B.V.	The Netherlands	100%	100%
DayDose ApS	Denmark	100%	100%

* Newly established company in 2022.

Parent Company financial statements 1 January – 31 December

Notes

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

EUR'000	**2022**	**2021**
Cost as at 1 January	6.779	6.779
Addition	0	0
Cost as at 31 December	6.779	6.779
Value adjustments as at 1 January	20.562	21.157
Ownership portion of profit for the year	2.686	-123
Ownership portion of equity movement in group entities etc.	220	352
Dividend received	-125	-823
Value adjustments as at 31 December	23.343	20.562
Carrying value as at 31 December	**30.122**	**27.341**
Which are presented as follows:		
Equity investments in group entities and other investments	30.122	27.341
As at 31 December	**30.122**	**27.341**

4 Finance income and expenses

EUR'000	**2022**	**2021**
Finance income		
Intercompany interest	48	0
Other interest	11	0
Total finance income	**59**	**0**

EUR'000	**2022**	**2021**
Finance expenses		
Intercompany interest	-18	-21
Other interest	0	-3
Total finance expense	**-18**	**-24**

5 Tax
Income statement

EUR'000	**2022**	**2021**
Current income tax	7	10
Tax	**7**	**10**

6 Receivables from group entities

In 2022, FTW Holding ApS has provided a loan of DKK 8 million to FTW Invest Aps. The loan has to be repaid end of 2026 at the latest.

7 Other receivables

Other receivables includes receivables which are due end of 2024 at the latest.

8 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.

9 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.

10 Related party disclosures

Controlling Influence

The related parties of FTW Holding ApS is disclosed in note 24 of the consolidated financial statements.

In 2022, FTW Holding ApS has provided a loan of DKK 8 million (EUR 1.1 million) to FTW Invest Aps. The entity recevies interests on the loan, refer to note 4 finance income and expenses.

11 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 2022.

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 2022.

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 2022 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 2022.

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, 4 May 2023
Executive Management:

....
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 2022, 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 2022 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2022 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, 4 May 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen
State Authorised
Public Accountant
mne33717

Ole Becker
State Authorised
Public Accountant
mne33732

Torben Mauritzen
Dirigent
På vegne af: FTW Holding ApS
Serienummer: 46707806-f92f-436b-8e18-99b42cb8ff4a
IP: 80.62.xxx.xxx
2023-05-04 09:36:48 UTC

Flemming Wagner
Direktion
På vegne af: FWT Holding ApS
Serienummer: 2df7dfe9-73a5-46d2-bf0e-171542552ade
IP: 83.151.xxx.xxx
2023-05-04 10:33:55 UTC

Jan C Olsen
Statsautoriseret revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:28761615
IP: 145.62.xxx.xxx
2023-05-04 10:55:19 UTC

Ole Becker
Statsautoriseret revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:65669285
IP: 37.96.xxx.xxx
2023-05-04 11:14:36 UTC