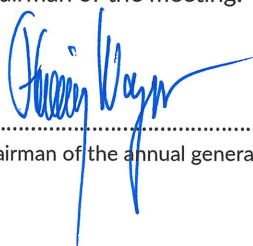


**DayDose ApS**  
**Annual Report 27 September - 31 December 2018**

Approved at the company's annual general meeting on 31 May 2019  
Chairman of the meeting:

A handwritten signature in blue ink, appearing to read 'Henning Kaym', is written over a horizontal dotted line.

Chairman of the annual general meeting

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### Statement by Management on the annual report

Today, the Management has approved the Annual Report of DayDose ApS for the financial year 27 September – 31 December 2018.

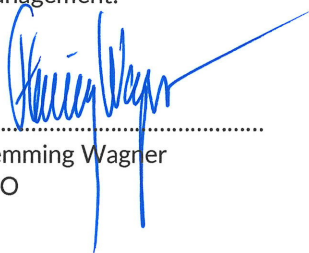
The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 27 September – 31 December 2018.

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

Copenhagen, 31 May 2019

Management:



.....  
Flemming Wagner  
CEO

## **Independent auditors' reports**

### **To the shareholder of DayDose ApS**

#### **Opinion**

We have audited the financial statements of DayDose ApS for the financial year 27 September – 31 December 2018, which comprise the income statement, balance sheet, statement of changes in equity 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 company's financial position at 31 December 2018 and of the results of its operations for the financial year 27 September – 31 December 2018 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's 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' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

#### **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, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

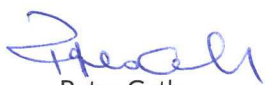
## Independent auditor's report

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Copenhagen, 31 May 2019  
Ernst & Young  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Peter Gath  
State Authorised  
Public Accountant  
mne19718



Ole Becker  
State Authorised  
Public Accountant  
mne33732

## Company information

Name	DayDose ApS
Address	Vesterbrogade 149 1620 København V
CVR-no.	39 89 90 43
Founded	27 September 2018
Registered municipality	Copenhagen, Denmark
Financial year	27 September – 31 December
Homepage	<a href="http://www.daydose.com">www.daydose.com</a>
E-mail	<a href="mailto:info@daydose.com">info@daydose.com</a>
Telephone	+45 73 70 90 09
Management	Flemming Wagner, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4, 2000 Frederiksberg

## Financial statements 27 September – 31 December

### Income statement

Note	DKK'000	3 months 2018
	<b>Gross loss</b>	<b>-1,157</b>
3	Staff costs	54
	Amortisations and depreciations	790
	<b>Loss before net financials</b>	<b>-2,000</b>
4	Finance expenses	151
	<b>Loss before tax</b>	<b>-2,151</b>
5	Tax	473
	<b>Loss for the period</b>	<b><u>-1,678</u></b>
	Distribution of loss for the period	
	<b>Proposed distribution of loss for the period</b>	
	Retained earnings	<b><u>-1,678</u></b>
		<b><u>-1,678</u></b>

Financial statements 27 September – 31 December

Balance sheet

Note	DKK'000	<u>2018</u>
	<b>ASSETS</b>	
	<b>Non-current assets</b>	
	<b>Intangible assets</b>	
	Rights and patents	6,713
	<b>Total intangible assets</b>	<u>6,713</u>
	<b>Tangible assets</b>	
	IT equipment	80
	<b>Total tangible assets</b>	<u>80</u>
	<b>Total non-current assets</b>	<u>6,793</u>
	<b>Current assets</b>	
	<b>Inventories</b>	
	Finished goods	1,455
	<b>Total inventories</b>	<u>1,455</u>
	<b>Receivables</b>	
	Trade receivables	91
	Other receivables	407
	Corporation tax receivable from group enterprises	507
	Prepayments	12
	<b>Total receivables</b>	<u>1,017</u>
	<b>Total current assets</b>	<u>2,472</u>
	<b>TOTAL ASSETS</b>	<u><u>9,265</u></u>
	<b>EQUITY AND LIABILITIES</b>	
	<b>Equity</b>	
	Share capital	250
	Retained earnings	-1,428
	<b>Total equity</b>	<u>-1,178</u>
	<b>Non-current liabilities</b>	
6	Borrowings from group enterprises	9,796
	Deferred tax	34
	<b>Total non-current liabilities</b>	<u>9,830</u>
	<b>Current liabilities</b>	
	Trade payables	509
	Debt to credit institutions	30
	Other payables	65
	Prepayments	9
	<b>Total current liabilities</b>	<u>613</u>
	<b>Total liabilities</b>	<u>10,442</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>9,265</u></u>



Financial statements 27 September – 31 December

Statement of changes in equity

DKK'000

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
<b>Equity 27 September 2018</b>	<u>250</u>	<u>250</u>	<u>500</u>
Loss for the period	<u>-</u>	<u>-1,678</u>	<u>-1,678</u>
<b>Equity 31 December 2018</b>	<u><u>250</u></u>	<u><u>-1,428</u></u>	<u><u>-1,178</u></u>

## Notes to the Financial Statements

### Overview of notes for the company

#### Note

- 1 Main activities
- 2 Uncertainty to the liquidity
- 3 Staff costs
- 4 Net finance costs
- 5 Tax on loss for the period
- 6 Borrowings from group enterprises
- 7 Contingent liabilities and other financial obligations
- 8 Mortgage and collateral
- 9 Accounting Policies

## Notes to the Financial Statements

### 1 Main activity

The company's main activities is marketing and sale of food supplements.

### 2 Uncertainty to the liquidity

The company has lost more than 50 % of the share capital. The management will, at the annual ordinary general meeting of shareholders, outline the loss and make a proposal of measures to reestablish the equity.

As support for the continuing operations, Abacus Medicine A/S (subsidiary of the parent company Wagner Family Holding ApS) has issued a letter of support, in which Abacus Medicine A/S has stated that it will not claim the payment of the short term intercompany receivable of DayDose ApS (DKK 9,796 thousand) within the twelve month period following the signing of the statutory financial statements. Further, the parent Wagner Family Holding has issued a letter of comfort undertaking the support of the company's continued operations to provide the funds required to ensure that the company can fulfil its obligations as they fall due. The letter of comfort is valid up to and including 31 December 2019.

On this basis, the management has prepared the financial statements of 2018 as going concern.

### 3 Staff costs

DKK'000	<u>2018</u>
<b>Staff costs</b>	
Wages and salaries	53
Other social securities costs	<u>1</u>
<b>Total staff costs</b>	<u><u>54</u></u>

The average number of full-time employee was 1.

### 4 Net finance expenses

DKK'000	<u>2018</u>
<b>Finance expenses</b>	
Finance costs, interests etc.	16
Interests on intercompany loan	<u>134</u>
<b>Total finance expenses</b>	<u><u>151</u></u>

### 5 Tax on loss for the year

DKK'000	<u>2018</u>
<b>Current income tax</b>	
Current income tax charge	-507
<b>Deferred tax</b>	
Relating to origination and reversal of temporary difference	<u>34</u>
<b>Income tax income reporting in the income statement</b>	<u><u>-473</u></u>

### 6 Borrowings from group enterprises

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt. Borrowings from group enterprises are due by 31 December 2019, however the company has received a letter of support from the counterpart, please see note 2 above.

## Notes to the Financial Statements

### 7 Contingent liabilities and other financial obligations

#### Joint taxation

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the company's liability.

#### Other financial obligations

The company has rent and lease liabilities of DKK 29 thousand relating to the lease of office premises.

### 8 Mortgage and collateral

Borrowings of DKK 8,106 thousand relating to the acquisition of the rights for DayDose has been secured by way of providing the rights and patents as collateral. The carrying amount of rights and patents is DKK 6,713 per 31 December 2018.

### 9 Accounting policies

The Financial statements of DayDose ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with the adoption of individual requirements for class C.

The Financial Statements for 2018 are presented in DKK.

#### Consolidated financial statements

The company is included in the group annual report of the ultimate owner, FTW Holding ApS (cvr. 39 87 33 89), Copenhagen, Denmark.

#### Basis of preparation

The financial statements have been prepared on a historical cost basis.

#### Translation policies

DKK is used as the presentation currency. All other currencies are regarded as foreign currencies. Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

## Income Statement

### Revenue

Income from the sale of food supplements is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

### Gross Loss

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross loss'.

## Notes to the Financial Statements

### 9 Accounting policies (continued)

#### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the company's employees.

#### Amortisations and depreciations

Amortisation and depreciation relating to intangible assets comprise amortisation and depreciation for the financial year, calculated on the basis of the useful lives of the individual assets.

#### Financial expenses

Financial expenses are recognised in the income statement at the amounts relating to the financial year.

#### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

#### Balance Sheet

##### Intangible assets

###### Rights and patents

Rights and patents comprises costs for the acquisition of the DayDose brand and well as the related patents with deduction of accumulated amortisation. The period of amortisation is 3-5 years.

##### Tangible assets

###### IT equipment

IT equipment 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. Depreciation is provided on a straight-line basis over the expected useful lives of the assets, which are 2 years.

##### Impairment of non-current assets

The carrying amount of rights and patents is assessed for impairment on an annual basis. Impairment tests are conducted on assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount). The value in use is calculated as the present value of the expected net cash flows from the use of the asset.

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are writ-ten 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 and expenses in the form of external storage charges, 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.

## Notes to the Financial Statements

### 9 Accounting policies (continued)

#### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

#### Prepayments

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

#### 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.

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

#### Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Liabilities are measured at amortised cost, substantially corresponding to nominal value.