

Vertanical Denmark ApS

Birketvedvejen 31
5290 Marslev

CVR no. 40 22 77 92

Annual report for 2023

Adopted at the annual general meeting on 23
July 2024

Bastian Baasch
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Vertanical Denmark ApS for the financial year 1 January - 31 December 2023.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Marslev, 23 July 2024

Executive board

Bastian Baasch

Independent auditor's report

To the shareholder of Vertanical Denmark ApS

Opinion

We have audited the financial statements of Vertanical Denmark ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under 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 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

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

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 23 July 2024

Rödl & Partner Danmark

Godkendt revisionsaktieselskab
CVR no. 39 18 86 78

Gitte Henckel
statsautoriseret revisor
MNE no. mne32734

Company details

The company

Vertanical Denmark ApS
Birketvedvejen 31
5290 Marslev

CVR no.: 40 22 77 92

Reporting period: 1 January - 31 December 2023

Domicile: Kerteminde

Executive board

Bastian Baasch

Auditors

Rödl & Partner Danmark
Godkendt revisionsaktieselskab
Store Kongensgade 40H,2
1264 København

General meeting

The annual general meeting is held at the company's address on 23 July 2024.

Management's review

Business review

The company's purpose is to conduct business at home market and abroad in the production, distribution and marketing of pharmaceutical - medicinal and health products, in particular with regard to pharmaceuticals, medical devices, dietary supplements and cosmetics, as well as any other related business.

Financial review

The company's income statement for the year ended 31 December 2023 shows a profit of DKK 720,173, and the balance sheet at 31 December 2023 shows equity of DKK 3,145,937.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Expected development of the company, including specific prerequisites and uncertainties

The company have received a letter of support afrom the parent company to ensure the going concern of the company in 2024. Based on this, the financial statements have been prepared on a going cncern asumption.

Accounting policies

The annual report of Vertanical Denmark ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as selected provisions applying to higher reporting class entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in DKK

Basis of recognition and measurement

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

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Accounting policies

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, expenses for raw materials, consumables and other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

Expenses for raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other operating income

Other operating income comprises service fees from affiliated company.

Other external costs

Other external costs include costs for administration, sales costs, leases premises, etc.

Staff costs

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

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions and amortisation of mortgage loans etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charges, is recognised in the income statement.

Accounting policies

Balance sheet

Intangible assets

Software

Software relating to production equipment is measured at cost excluding amortisation and depreciation. Software is depreciated in 5 years.

Tangible assets

Items of land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Where individual components of an item of property, plant and equipment have different useful lives, and the individual component is a significant part of the total cost, the cost is divided into separate components, which are depreciated separately.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Manufacturing plants	10-20 years	0 %
Plant and machinery	6-25 years	0 %
Other fixtures and fittings, tools and equipment	3-25 years	0 %

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of finished goods and unfinished good includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

Production overheads include the indirect cost of materials, wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the cost.

Accounting policies

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables are measured at amortised cost.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Accounting policies

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

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

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

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Gross profit		34,915,986	32,424,028
Staff costs	1	<u>-13,092,172</u>	<u>-17,073,989</u>
Profit/loss before amortisation/depreciation and impairment losses		21,823,814	15,350,039
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-19,420,638	-12,826,735
Other operating costs		<u>0</u>	<u>-750</u>
Profit/loss before net financials		2,403,176	2,522,554
Financial income	2	12,084	58,774
Financial costs	3	<u>-1,439,733</u>	<u>-1,181,024</u>
Profit/loss before tax		975,527	1,400,304
Tax on profit/loss for the year		<u>-255,354</u>	<u>-323,389</u>
Profit/loss for the year		<u>720,173</u>	<u>1,076,915</u>
Retained earnings		<u>720,173</u>	<u>1,076,915</u>
		<u>720,173</u>	<u>1,076,915</u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Assets			
Software		383,905	767,809
Intangible assets	4	<u>383,905</u>	<u>767,809</u>
Land and buildings	5	80,135,097	88,273,247
Plant and machinery	5	41,305,055	47,018,897
Other fixtures and fittings, tools and equipment	5	3,623,037	3,795,307
Tangible assets		<u>125,063,189</u>	<u>139,087,451</u>
Total non-current assets		<u>125,447,094</u>	<u>139,855,260</u>
Raw materials and consumables		1,782,816	1,580,529
Unfinished goods		509,372	98,349
Finished goods and goods for resale		13,551,445	18,745,150
Stocks		<u>15,843,633</u>	<u>20,424,028</u>
Receivables from affiliated companies		47,648,918	51,383,277
Other receivables		89,627	2,851,071
Corporation tax		0	12,000
VAT and duties receivables		1,238,384	0
Prepayments		321,691	194,434
Receivables		<u>49,298,620</u>	<u>54,440,782</u>
Cash at bank and in hand		<u>790,525</u>	<u>1,907,853</u>
Total current assets		<u>65,932,778</u>	<u>76,772,663</u>
Total assets		<u>191,379,872</u>	<u>216,627,923</u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Equity and liabilities			
Share capital		56,000	56,000
Retained earnings		3,089,937	2,369,764
Equity		<u>3,145,937</u>	<u>2,425,764</u>
Provision for deferred tax		1,450,979	1,203,577
Total provisions		<u>1,450,979</u>	<u>1,203,577</u>
Trade payables		2,214,687	1,795,248
Payables to affiliated companies		157,567,067	183,972,103
Other payables		27,001,202	27,231,231
Total current liabilities		<u>186,782,956</u>	<u>212,998,582</u>
Total liabilities		<u>186,782,956</u>	<u>212,998,582</u>
Total equity and liabilities		<u><u>191,379,872</u></u>	<u><u>216,627,923</u></u>

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	56,000	2,369,764	2,425,764
Net profit/loss for the year	0	720,173	720,173
Equity at 31 December 2023	<u>56,000</u>	<u>3,089,937</u>	<u>3,145,937</u>

Notes

	<u>2023</u> DKK	<u>2022</u> DKK
1 Staff costs		
Wages and salaries	10,781,404	15,262,427
Pensions	1,200,151	1,504,860
Other social security costs	324,179	741,521
Other staff costs	<u>2,995</u>	<u>0</u>
	12,308,729	17,508,808
Transfer to inventory	<u>783,443</u>	<u>-434,819</u>
	<u>13,092,172</u>	<u>17,073,989</u>
Number of fulltime employees on average	<u>22</u>	<u>31</u>
2 Financial income		
Bank Interest	12,084	0
Exchange adjustments	0	2,208
Other adjustments of financial income	<u>0</u>	<u>56,566</u>
	<u>12,084</u>	<u>58,774</u>

Notes

	<u>2023</u>	<u>2022</u>
	DKK	DKK
3 Financial costs		
Interest paid to affiliated companies	874,505	949,083
Other financial costs	146,683	161,540
Exchange adjustments costs	356,977	70,401
Exchange loss	61,568	0
	<u>1,439,733</u>	<u>1,181,024</u>
4 Intangible assets		<u>Software</u>
Cost at 1 January 2023		1,919,521
Cost at 31 December 2023		<u>1,919,521</u>
Impairment losses and amortisation at 1 January 2023		1,151,712
Depreciation for the year		<u>383,904</u>
Impairment losses and amortisation at 31 December 2023		<u>1,535,616</u>
Carrying amount at 31 December 2023		<u>383,905</u>

Notes**5 Tangible assets**

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2023	109,982,003	61,875,314	5,106,234	176,963,551
Additions for the year	20,653	1,366,987	489,308	1,876,948
Cost at 31 December 2023	<u>110,002,656</u>	<u>63,242,301</u>	<u>5,595,542</u>	<u>178,840,499</u>
Impairment losses and depreciation at 1 January 2023	21,708,756	14,856,417	1,310,927	37,876,100
Depreciation for the year	8,158,803	7,080,829	661,578	15,901,210
Impairment losses and depreciation at 31 December 2023	<u>29,867,559</u>	<u>21,937,246</u>	<u>1,972,505</u>	<u>53,777,310</u>
Carrying amount at 31 December 2023	<u>80,135,097</u>	<u>41,305,055</u>	<u>3,623,037</u>	<u>125,063,189</u>

Notes

6 Uncertainty about the continued operation (going concern)

The company has received a letter of support from the parent company to ensure the going concern of the company in 2024. Based on this, the financial statements have been prepared on a going concern assumption.

7 Related parties and ownership structure

Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

MVH Beteiligungs- und Beratungs-GmbH
Am Haag 14
82166 Gräfelfing
Germany

FUTRUE GmbH
Am Haag 14
82166 Gräfelfing
Germany

Consolidated financial statements

The company is reflected in the group report as the parent company FUTRUE GmbH.

The group report of FUTRUE GmbH. can be obtained at the following address:

Am Haag 14
82166 Gräfelfing
Germany