

## **Vertanical Denmark ApS**

**Birketvedvejen 31  
5290 Marslev**

**CVR no. 40 22 77 92**

### **Annual report for 2022**

Adopted at the annual general meeting on 30  
June 2023

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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 2022.

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 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

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, 30 June 2023

### **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 2022, 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 2022 and of the results of the company's operations 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 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, 30 June 2023

**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 2022

Domicile: Kerteminde

### Executive board

Bastian Baasch

### Auditors

Rödl & Partner Danmark  
Godkendt Revisionsaktieselskab  
Store Kongensgade 40H, 2.  
1264 København K

### General meeting

The annual general meeting is held on 30 June 2023.

**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 2022 shows a profit of DKK 1,076,915, and the balance sheet at 31 December 2022 shows equity of DKK 2,425,764.

**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 2023. Based on this, the financial statements have been prepared on a going cncern asumption.

***Uncertainties associated with the expected development of the company***

The company has an unresolved matter with the Danish Tax authorities regarding reported duties that have been reported in the period 1 October 2019 to 31 December 2022. In Management's opinion, the matter is unjustified. A possible claim from the Danish Tax authorities cannot at present be quantified, but the amount could be material. The company is currently in discussions with the tax authorities to clarifying the situation.



**Accounting policies**

The annual report of Vertanical Denmark ApS for 2022 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 2022 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 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, 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.

#### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation 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:

	<b>Useful life</b>	<b>Residual value</b>
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>2022</u> DKK	<u>2021</u> DKK
<b>Gross profit</b>		<b>32.424.028</b>	<b>22.885.165</b>
Staff costs	1	<u>-17.073.989</u>	<u>-11.283.976</u>
<b>Profit/loss before amortisation/depreciation and impairment losses</b>		<b>15.350.039</b>	<b>11.601.189</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-12.826.735	-9.445.434
Other operating costs		<u>-750</u>	<u>-9.976</u>
<b>Profit/loss before net financials</b>		<b>2.522.554</b>	<b>2.145.779</b>
Financial income	2	58.774	1.088
Financial costs	3	<u>-1.181.024</u>	<u>-1.169.910</u>
<b>Profit/loss before tax</b>		<b>1.400.304</b>	<b>976.957</b>
Tax on profit/loss for the year		<u>-323.389</u>	<u>-449.005</u>
<b>Profit/loss for the year</b>		<b><u>1.076.915</u></b>	<b><u>527.952</u></b>
Retained earnings		<u>1.076.915</u>	<u>527.952</u>
		<b><u>1.076.915</u></b>	<b><u>527.952</u></b>

**Balance sheet 31 December**

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
<b>Assets</b>			
Software		767.809	1.151.713
<b>Intangible assets</b>	4	<b><u>767.809</u></b>	<b><u>1.151.713</u></b>
Land and buildings	5	88.273.247	94.752.325
Plant and machinery	5	47.018.897	42.186.860
Other fixtures and fittings, tools and equipment	5	3.795.307	2.967.693
<b>Tangible assets</b>		<b><u>139.087.451</u></b>	<b><u>139.906.878</u></b>
<b>Total non-current assets</b>		<b><u>139.855.260</u></b>	<b><u>141.058.591</u></b>
Raw materials and consumables		1.580.529	624.778
Unfinished good		98.349	1.460.842
Finished goods and goods for resale		18.745.150	15.874.361
<b>Stocks</b>		<b><u>20.424.028</u></b>	<b><u>17.959.981</u></b>
Receivables from affiliated companies		51.383.277	1.543.819
Other receivables		2.851.071	4.215.699
Corporation tax		12.000	0
VAT and duties receivables		0	7.894.855
Prepayments		194.434	105.037
<b>Receivables</b>		<b><u>54.440.782</u></b>	<b><u>13.759.410</u></b>
<b>Cash at bank and in hand</b>		<b><u>1.907.853</u></b>	<b><u>10.323.919</u></b>
<b>Total current assets</b>		<b><u>76.772.663</u></b>	<b><u>42.043.310</u></b>
<b>Total assets</b>		<b><u><u>216.627.923</u></u></b>	<b><u><u>183.101.901</u></u></b>



**Balance sheet 31 December**

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
<b>Equity and liabilities</b>			
Share capital		56.000	56.000
Retained earnings		2.369.764	1.292.849
<b>Equity</b>		<b><u>2.425.764</u></b>	<b><u>1.348.849</u></b>
Provision for deferred tax		1.203.577	854.136
<b>Total provisions</b>		<b><u>1.203.577</u></b>	<b><u>854.136</u></b>
Trade payables		1.795.248	7.237.524
Payables to affiliated companies		183.972.103	137.271.614
Corporation tax		0	13.000
Other payables		27.231.231	36.376.778
<b>Total current liabilities</b>		<b><u>212.998.582</u></b>	<b><u>180.898.916</u></b>
<b>Total liabilities</b>		<b><u>212.998.582</u></b>	<b><u>180.898.916</u></b>
<b>Total equity and liabilities</b>		<b><u><u>216.627.923</u></u></b>	<b><u><u>183.101.901</u></u></b>

**Statement of changes in equity**

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	56.000	1.292.849	1.348.849
Net profit/loss for the year	0	1.076.915	1.076.915
<b>Equity at 31 December 2022</b>	<b><u>56.000</u></b>	<b><u>2.369.764</u></b>	<b><u>2.425.764</u></b>

**Notes**

	<u>2022</u> DKK	<u>2021</u> DKK
<b>1 Staff costs</b>		
Wages and salaries	15.262.427	12.194.405
Pensions	1.504.860	362.420
Other social security costs	741.521	446.833
Other staff costs	<u>0</u>	<u>399.000</u>
	<b>17.508.808</b>	<b>13.402.658</b>
Transfer to inventory	<u>-434.819</u>	<u>-2.118.682</u>
	<b><u>17.073.989</u></b>	<b><u>11.283.976</u></b>
Average number of employees	<u>31</u>	<u>30</u>
<b>2 Financial income</b>		
Exchange adjustments	2.208	1.088
Other adjustments of financial income	<u>56.566</u>	<u>0</u>
	<b><u>58.774</u></b>	<b><u>1.088</u></b>

**Notes**

	<u>2022</u> DKK	<u>2021</u> DKK
<b>3 Financial costs</b>		
Interest paid to affiliated companies	949.083	959.077
Other financial costs	161.540	148.639
Exchange adjustments costs	70.401	62.194
	<u><b>1.181.024</b></u>	<u><b>1.169.910</b></u>
<b>4 Intangible assets</b>		<u>Software</u>
Cost at 1 January 2022		1.535.617
Adjustment of prior year		<u>383.904</u>
Cost at 31 December 2022		<u>1.919.521</u>
Impairment losses and amortisation at 1 January 2022		383.904
Adjustment of prior year		383.904
Depreciation for the year		<u>383.904</u>
Impairment losses and amortisation at 31 December 2022		<u>1.151.712</u>
<b>Carrying amount at 31 December 2022</b>		<u><b>767.809</b></u>

**Notes****5 Tangible assets**

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2022	102.324.119	47.199.507	3.434.224	152.957.850
Adjustment of prior year	6.000.000	3.436.990	252.237	9.689.227
Additions for the year	1.657.884	11.238.817	1.419.773	14.316.474
Cost at 31 December 2022	<u>109.982.003</u>	<u>61.875.314</u>	<u>5.106.234</u>	<u>176.963.551</u>
Impairment losses and depreciation at 1 January 2022	7.774.516	5.012.647	466.531	13.253.694
Adjustment of prior year	5.797.280	3.436.990	252.237	9.486.507
Depreciation for the year	8.136.960	6.406.780	592.159	15.135.899
Impairment losses and depreciation at 31 December 2022	<u>21.708.756</u>	<u>14.856.417</u>	<u>1.310.927</u>	<u>37.876.100</u>
<b>Carrying amount at 31 December 2022</b>	<b><u><u>88.273.247</u></u></b>	<b><u><u>47.018.897</u></u></b>	<b><u><u>3.795.307</u></u></b>	<b><u><u>139.087.451</u></u></b>

## 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 2023. Based on this, the financial statements have been prepared on a going concern assumption.

### 7 Contingent liabilities

The company has an unresolved matter with the Danish Tax authorities regarding reported duties that have been reported in the period 1 October 2019 to 31 December 2022. In Management's opinion, the matter is unjustified. A possible claim from the Danish Tax authorities cannot at present be quantified, but the amount could be material. The company is currently in discussions with the tax authorities to clarifying the situation.

### 8 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