



Tel.: +45 89 30 78 00
aarhus@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Kystvejen 29
DK-8000 Aarhus C
CVR no. 20 22 26 70

AH DIAGNOSTICS A/S
GAMMEL VIBORGVEJ 11A, 8381 TILST
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 31 March 2023**

Jørn Kildegaard Andersen

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COMPANY DETAILS

Company	AH DIAGNOSTICS A/S Gammel Viborgvej 11A 8381 Tilst CVR No.: 26 71 80 23 Established: 27 June 2002 Municipality: Aarhus Financial Year: 1 January - 31 December
Board of Directors	Jørn Kildegaard Andersen, chairman Jørgen Gylling Poulsen Dominique Wencker Patrick Hartmann Niels Stampe Rüdiger
Executive Board	Niels Stampe Rüdiger
Auditor	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of AH DIAGNOSTICS A/S 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 Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2022 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

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

Tilst, 31 March 2023

Executive Board

Niels Stampe Rüdiger

Board of Directors

Jørn Kildegaard Andersen
Chairman

Jørgen Gylling Poulsen

Dominique Wencker

Patrick Hartmann

Niels Stampe Rüdiger

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AH DIAGNOSTICS A/S

Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of AH DIAGNOSTICS A/S for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2022 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group 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 Consolidated Financial Statements and the Annual Financial Statements of the Company" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company

Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, Management is responsible for assessing the Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company.

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

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

INDEPENDENT AUDITOR'S REPORT

Aarhus, 31 March 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Thomas Nørgaard Christensen
State Authorised Public Accountant
MNE no. mne40048

FINANCIAL HIGHLIGHTS OF THE GROUP

	2022	2021	2020	2019	2018
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Income statement					
Gross profit/loss.....	42,796	51,948	48,011	35,145	39,524
Operating profit/loss of main activities...	8,730	18,548	18,075	3,719	7,267
Financial income and expenses, net.....	-525	-398	313	-239	-518
Profit/loss for the year.....	6,087	14,542	14,492	3,157	5,600
Balance sheet					
Total assets.....	51,182	56,215	65,973	55,159	68,379
Equity.....	17,737	16,523	26,396	14,268	15,156
Cash flows					
Investment in property, plant and equipment.....	0	0	-207	-832	-706
Average number of full-time employees.....					
	45	45	44	49	52
Key ratios					
Equity ratio.....	34.7	29.4	40.0	25.9	22.2
Return on equity.....	35.5	67.8	71.3	21.5	37.5

The ratios stated in the list of key figures and ratios have been calculated as follows:

Equity ratio:
$$\frac{\text{Equity, at year-end} \times 100}{\text{Total assets, at year-end}}$$

Return on equity:
$$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$$

MANAGEMENT COMMENTARY

Principal activities

The Group imports and sells reagents and Life Science technology services to universities, institutions of higher education, the pharmaceutical industry, hospitals and to academic researchers in the Nordic countries.

Development in activities and financial and economic position

The Group income statement for 2021 shows a profit of DKK 6,087k against a profit of DKK 14,542k last year, and the balance sheet at 31 December 2022 shows equity of DKK 17,737k.

In September 2022 a Norwegian company has been bought. The company is strong within diagnostics, which will be used to increase the sales within this segment.

Profit/loss for the year compared to the expected development

Profit for 2022, which is considered satisfactory, are lower than last year, but in level with the expectations. The profit for last year was positively affected by COVID-19.

Significant events after the end of the financial year

No events have occurred after the balance sheet date that materially affect the Group's financial position.

Financial risk

The risks for the group are the usual commercial risks such as exchange rate fluctuations, prices on raw materials and insurable risks. The entity has taken out standard insurance in accordance with the insurance policy adopted by the Board of Directors. Changes in exchange rates and raw material prices are monitored closely as part of the commercial operation of the business. The Group's commercial risks are assessed on a regular basis and any hedging of the risks is made in accordance with a hedging strategy approved by the Board of Directors. The group has no particular risks.

Environmental situation

AH diagnostics has an ambition to have so small influence on the environment as possible.

The group companies are member of different organizations, who collects waste electrical and electronic equipment and batteries.

When purchasing group cars, only cars that live up to the requirements of energy class A are chosen.

The company has in 2022 initiated a project to reuse Packing materials.

Knowledge resources

The employees in the group holds a high degree of knowledge and technical knowhow. The knowledge is maintained and developed through trainings sessions, seminars and courses facilitated by suppliers to the group. On Internal seminars and sales meetings this knowledge is shared internally.

Research and development activities

At present, the entity does not have its own research and development activities as the Group's suppliers primarily handle those activities. The entity's executive management keeps abreast of the market development and introduces new technologies from both existing and new suppliers on an ongoing basis.

Future expectations

The Group still has sound earnings and growth potential. In 2023, the Group expects its revenue to improve whereas results of operation are expected to decrease a little due to a product mix change. A detailed budget has been made which supports the expectations

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent Company	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
GROSS PROFIT		42,796	51,948	28,088	30,762
Staff costs.....	1	-33,246	-32,681	-18,392	-17,383
Depreciation, amortisation and impairment losses.....		-820	-719	-405	-582
OPERATING PROFIT		8,730	18,548	9,291	12,797
Income from investments in subsidiaries.....		0	0	-31	4,911
Other financial income.....	2	846	62	33	62
Other financial expenses.....	3	-1,371	-460	-1,418	-506
PROFIT BEFORE TAX		8,205	18,150	7,875	17,264
Tax on profit/loss for the year.....	4	-2,118	-3,608	-1,788	-2,722
PROFIT FOR THE YEAR	5	6,087	14,542	6,087	14,542

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Goodwill.....		4,270	0	0	0
Intangible assets.....	6	4,270	0	0	0
Other plant, machinery tools and equipment.....		362	861	324	730
Property, plant and equipment...	7	362	861	324	730
Investments in subsidiaries.....		0	0	12,475	7,405
Rent deposit and other receivables.....		583	564	525	524
Financial non-current assets.....	8	583	564	13,000	7,929
NON-CURRENT ASSETS.....		5,215	1,425	13,324	8,659
Finished goods and goods for resale.....		7,806	8,036	7,806	8,036
Prepayments.....		0	598	0	598
Inventories.....		7,806	8,634	7,806	8,634
Trade receivables.....		23,864	28,021	13,908	10,233
Receivables from group enterprises.....		0	0	4,056	8,804
Deferred tax assets.....	9	122	79	99	66
Other receivables.....		89	168	89	63
Corporation tax receivable.....		835	0	0	0
Prepayments.....	10	939	1,834	648	1,438
Receivables.....		25,849	30,102	18,800	20,604
Cash and cash equivalents.....		12,312	16,054	5,555	9,604
CURRENT ASSETS.....		45,967	54,790	32,161	38,842
ASSETS.....		51,182	56,215	45,485	47,501

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Share capital.....	11	1,000	1,000	1,000	1,000
Reserve for net revaluation under the equity method.....		0	0	5,121	5,526
Retained earnings.....		13,237	11,023	8,116	5,497
Proposed dividend.....		3,500	4,500	3,500	4,500
EQUITY.....		17,737	16,523	17,737	16,523
Other provisions.....	12	319	0	319	0
PROVISIONS.....		319	0	319	0
Prepayments from customers.....		1,254	2,498	771	549
Trade payables.....		15,068	15,387	14,707	15,211
Debt to Group companies.....		0	0	3,601	6,620
Corporation tax payable.....		1,526	856	1,297	612
Other liabilities.....		12,579	13,473	5,481	4,697
Deferred income.....	13	2,699	7,478	1,572	3,289
Current liabilities.....		33,126	39,692	27,429	30,978
LIABILITIES.....		33,126	39,692	27,429	30,978
EQUITY AND LIABILITIES.....		51,182	56,215	45,485	47,501
Contingencies etc.	14				
Charges and securities	15				
Related parties	16				

EQUITY

	Group			
	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2022.....	1,000	11,023	4,500	16,523
Proposed profit allocation, see note 5.....		2,587	3,500	6,087
Transactions with owners				
Dividend paid.....			-4,500	-4,500
Other legal bindings				
Foreign exchange adjustments.....		-373		-373
Equity at 31 December 2022.....	1,000	13,237	3,500	17,737

	Parent Company				
	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend	Total
Equity at 1 January 2022.....	1,000	5,526	5,497	4,500	16,523
Proposed profit allocation, jf. note 5.....		-32	2,619	3,500	6,087
Transactions with owners					
Dividend paid.....				-4,500	-4,500
Other legal bindings					
Foreign exchange adjustments.....		-373			-373
Equity at 31 December 2022.....	1,000	5,121	8,116	3,500	17,737

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2022 DKK '000	2021 DKK '000
Profit/loss for the year.....	6,087	14,542
Depreciation and amortisation, reversed.....	820	719
Tax on profit/loss, reversed.....	2,118	3,608
Corporation tax paid.....	-2,438	-2,965
Change in inventories.....	828	710
Change in receivables (ex tax).....	5,131	-5,015
Change in current liabilities (ex bank, tax and instalments payable).....	-6,917	-584
Other cash flows from operating activities.....	-261	0
CASH FLOWS FROM OPERATING ACTIVITY.....	5,368	11,015
Purchase of intangible assets.....	-4,575	0
Purchase of financial assets.....	-18	0
Other cash flows from investing activities.....	-17	82
CASH FLOWS FROM INVESTING ACTIVITY.....	-4,610	82
Dividends paid in the financial year.....	-4,500	-24,500
CASH FLOWS FROM FINANCING ACTIVITY.....	-4,500	-24,500
CHANGE IN CASH AND CASH EQUIVALENTS.....	-3,742	-13,403
Cash and cash equivalents at 1. januar.....	16,054	29,457
CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....	12,312	16,054
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents.....	12,312	16,054
CASH AND CASH EQUIVALENTS.....	12,312	16,054

NOTES

Note

	Group		Parent Company		
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000	
Staff costs					1
Average number of employees	45	45	29	29	
Wages and salaries.....	27,216	26,657	15,298	14,328	
Pensions.....	3,569	3,463	2,457	2,481	
Social security costs.....	1,872	1,889	318	312	
Other staff costs.....	591	672	319	262	
	33,248	32,681	18,392	17,383	
Remuneration of Management and Board of Directors.....	1,829	1,631	1,829	1,631	
	1,829	1,631	1,829	1,631	
Other financial income					2
Other interest income.....	846	62	33	62	
	846	62	33	62	
Other financial expenses					3
Group enterprises.....	0	18	0	18	
Other interest expenses.....	1,371	442	1,418	488	
	1,371	460	1,418	506	
Tax on profit/loss for the year					4
Calculated tax on taxable income of the year.....	2,055	3,685	1,797	2,774	
Adjustment of tax in previous years.	84	-21	23	0	
Adjustment of deferred tax.....	-21	-56	-32	-52	
	2,118	3,608	1,788	2,722	
Proposed distribution of profit					5
Proposed dividend for the year.....	3,500	4,500	3,500	4,500	
Extraordinary dividend.....	0	10,000	0	10,000	
Allocation to reserve for net revaluation under the equity method.....	0	0	-32	-3,952	
Retained earnings.....	2,587	42	2,619	3,994	
	6,087	14,542	6,087	14,542	

NOTES

		Note
Intangible assets		6
	Group	
	<u>Goodwill</u>	
Additions.....	4,575	
Cost at 31 December 2022.....	4,575	
Amortisation for the year.....	305	
Amortisation at 31 December 2022.....	305	
Carrying amount at 31 December 2022.....	4,270	
 Property, plant and equipment		 7
	Group	
	<u>Other plant, machinery tools and equipment</u>	
Cost at 1 January 2022.....	9,756	
Exchange adjustment at closing rate.....	18	
Disposals.....	-198	
Cost at 31 December 2022.....	9,576	
Depreciation and impairment losses at 1 January 2022.....	8,895	
Exchange adjustment.....	1	
Reversal of depreciation of assets disposed of.....	-195	
Depreciation for the year.....	513	
Depreciation and impairment losses at 31 December 2022.....	9,214	
Carrying amount at 31 December 2022.....	362	
	Parent Company	
	<u>Other plant, machinery tools and equipment</u>	
Cost at 1 January 2022.....	9,119	
Disposals.....	-90	
Cost at 31 December 2022.....	9,029	
Depreciation and impairment losses at 1 January 2022.....	8,390	
Reversal of depreciation of assets disposed of.....	-90	
Depreciation for the year.....	405	
Depreciation and impairment losses at 31 December 2022.....	8,705	
Carrying amount at 31 December 2022.....	324	

NOTES

	Note
Financial non-current assets	8

	<u>Group</u>
	Rent deposit and other receivables
Cost at 1 January 2022.....	564
Additions.....	19
Cost at 31 December 2022.....	583
Carrying amount at 31 December 2022.....	583

	<u>Parent Company</u>	
	Investments in subsidiaries	Rent deposit and other receivables
Cost at 1 January 2022.....	1,880	524
Additions.....	5,472	1
Cost at 31 December 2022.....	7,352	525
Revaluation at 1 January 2022.....	5,526	0
Exchange adjustment.....	-372	0
Profit/loss for the year.....	274	0
Revaluation at 31 December 2022.....	5,428	0
Amortisation of goodwill.....	305	0
Impairment losses and amortisation of goodwill at 31 December 2022.....	305	0
Carrying amount at 31 December 2022.....	12,475	525

Goodwill

The parent company has acquired shares in subsidiaries in the financial year. Goodwill from the year's acquisition amounts to DKK 4,575k.

Investments in subsidiaries

Name and domicil	Ownership
AH Biotech ApS, Aarhus, Denmark.....	100 %
AH diagnostics AB, Solna, Sweden.....	100 %
AH diagnostics AS, Oslo, Norway.....	100 %
AH diagnostics Oy, Helsinki, Finland.....	100 %
DIUVITA DIAGNOSTICS AS, Drammen, Norway.....	100 %

NOTES

	Group		Parent Company		Note
	2022	2021	2022	2021	
	DKK '000	DKK '000	DKK '000	DKK '000	
Deferred tax assets					9
The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.					
Deferred tax, beginning of year.....	79	23	66	14	
Deferred tax of the year, income statement.....	21	56	33	52	
Exchange rate adjustments.....	22	0	0	0	
Provision for deferred tax 31 December 2022.....	122	79	99	66	
<p>The deferred tax asset recognised within the Group and the Parent Company Financial Statements consist of temporary differences between accounting and taxable values of the Group and the Parent Company's property, plant and equipment. The deferred tax asset will be settled over time.</p>					
Prepayments					10
Accruals consist of cost related to the future financial years. The amount for the Group is DKK 939k in 2022 (2021: DKK 1,834k) and for the Parent Company, DKK 648k in 2022 (2021: DKK 1,300k).					
Share capital					11
Allocation of share capital:					
Shares, 1,000 unit in the denomination of 1,000 DKK.....			1,000	1,000	
			1,000	1,000	
Other provisions					12
Other provisions consist of provision for guarantee obligations which are expected to be settled within one year.					

NOTES

	Note
Deferred income Deferred income consists of deferred revenue.	13
Contingencies etc.	14
Contingent liabilities The Parent Company The Parent Company has entered into rent and leasing agreement with a non-terminable amount per 31 December 2022 of DKK 4,688k, hereoff DKK 2,051k considered payable within 12 months. The Parent Company's rent and leasing liabilities relates to non-terminable rent agreement for the Company's Headquarters until April 2025 as well as operational leasing agreements related to cars that runs for 4-48 months.	
The Group The Group has entered into rent and leasing agreement with a non-terminable amount per 31 December 2022 of DKK 6,793k, hereoff DKK 3,014k considered payable within 12 months. The Group's rent and leasing liabilities relates to non-terminable rent agreement for leases for rented offices with remaining, non-terminable rent agreements ranging from 3 month to 28 month, as well as operational leasing agreements related to cars that runs a maximum of 48 months.	
Charges and securities The parent company The parent company has provided a suretyship for AH Diagnostics AB's bank balance with a maximum of DKK 394k. The bank balance in the subsidiary amounts to DKK 0k per 31 December 2022.	15
Related parties The Company's related parties include:	16
Controlling interest Dominique Dutscher SAS, 2c, rue de Bruxelles, 67170 Bernolsheim, Frankrig, which owns the Company 100%.	
Transactions with related parties The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.	

ACCOUNTING POLICIES

The Annual Report of AH DIAGNOSTICS A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year.

Reclassification of comparison figures

In the comparative figures for the annual report for the parent company for 2021, a reclassification has been made between other liabilities and debt to Group companies under the liabilities with DKK 3,965k, as accrued group internal debt has been posted here. In the management's opinion, it is more appropriate for this item to be presented under balances with affiliated companies. The change has neither an effect on the balance sheet nor an impact on the income statement and equity.

Consolidated Financial Statements

The Consolidated Financial Statements include the Parent Company AH DIAGNOSTICS A/S and the subsidiaries in which AH DIAGNOSTICS A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or newly formed entities within the Group are recognised in the Consolidated Financial Statements as if the entity has been combined from the earliest financial period included in the Consolidated Financial Statements. Consolidated or wound up entities are recognised in the Consolidated Income Statement from the earliest financial period included in the Financial Statements. Comparative figures are corrected for newly acquired, sold or wound-up entities.

Acquired entities within the Group are recognised in the Consolidated Financial Statements according to the combination method, the combination being regarded as completed as from the earliest financial period included in the Consolidated Financial Statements, and by using the carrying amounts of the assets and liabilities acquired.

Positive and negative differences between the acquisition cost and the carrying amounts of acquired and identified assets and liabilities are recognised in equity at the acquisition. The difference from acquired entities is 4,270 DKK ('000).

INCOME STATEMENT

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

ACCOUNTING POLICIES

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Group and the Parent Company's employees. Repayments from public authorities are deducted from staff costs.

Income from investments in subsidiaries

The proportional share of the results of subsidiaries, stated according to the Parent Company's accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold subsidiaries are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired Company's position in the market and earnings profile, and the industry-specific conditions.

Tangible fixed assets

Fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-10 years	0%

ACCOUNTING POLICIES

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets

Investments in Equity interests in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Equity investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

Net revaluation of equity interests in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents

Cash and cash equivalents include cash at bank.

ACCOUNTING POLICIES

Other provisions for liabilities

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructurings etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated on the contract.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

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

ACCOUNTING POLICIES

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:

Cash and cash equivalents include cash in hand.