

# Kirstine Hardam A/S

Fabersvej 15, 7500 Holstebro

Company reg. no. 30 55 14 94

## Annual report

2023

The annual report was submitted and approved by the general meeting on the 13 May 2024.

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Uffe Hardam  
chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's statement**

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Today, the Board of Directors and the Managing Director have approved the annual report of Kirstine Hardam A/S for the financial year 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Holstebro, 7 May 2024

### **Managing Director**

Uffe Hardam  
CEO

### **Board of directors**

Timothy Barton Finnerty  
chairman

Amanda Lee Brunner

Uffe Hardam

## **Independent auditor's report**

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### **To the Shareholders of Kirstine Hardam A/S**

#### **Opinion**

We have audited the financial statements of Kirstine Hardam A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, statement of cash flows, notes and a summary of significant accounting policies, for the Company. 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 financial position of the Company at 31 December 2023, and of the results of the Company's operations and cash flows 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 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**

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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:

- 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**

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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 Statement Act. We did not identify any material misstatement of Management's Review.

Holstebro, 7 May 2024

### **KRØYER PEDERSEN**

State Authorised Public Accountants  
Company reg. no. 89 22 49 18

Klaus Lund Kristensen

State Authorised Public Accountant  
mne32792

## Company information

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|                           |  |
|---------------------------|--|
| <b>The company</b>        | Kirstine Hardam A/S<br>Fabersvej 15<br>7500 Holstebro                  |
|                           | Web site <a href="http://www.hardam.dk">www.hardam.dk</a>              |
|                           | Company reg. no.    30 55 14 94  |
|                           | Established:            1 January 2007                                 |
|                           | Domicile:                Holstebro                                     |
|                           | Financial year:        1 January - 31 December<br>17th financial year  |
| <b>Board of directors</b> | Timothy Barton Finnerty, chairman<br>Amanda Lee Brunner<br>Uffe Hardam |
| <b>Managing Director</b>  | Uffe Hardam, CEO   |
| <b>Auditors</b>           | KRØYER PEDERSEN Statsautoriserede Revisorer I/S                        |
| <b>Bankers</b>            | Nordea   |
| <b>Parent company</b>     | JLP Services S.á. r.l., Luxembourg                                     |

## Financial highlights

| DKK in thousands.                            | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>Income statement:</b>                     |             |             |             |             |             |
| Gross profit                                 | 38.156      | 30.699      | 29.269      | 30.297      | 56.282      |
| Profit before net financials                 | 25.669      | 19.138      | 19.032      | 19.861      | 44.492      |
| Net financials                               | 740         | -203        | -126        | -147        | -126        |
| Net profit or loss for the year              | 20.596      | 14.767      | 14.741      | 15.381      | 34.604      |
| <b>Statement of financial position:</b>      |             |             |             |             |             |
| Balance sheet total                          | 83.064      | 64.039      | 55.300      | 40.887      | 81.897      |
| Investments in property, plant and equipment | 0           | 1.225       | 0           | 535         | 752         |
| Equity                                       | 69.769      | 49.173      | 45.406      | 30.665      | 75.285      |
| <b>Cash flows:</b>                           |             |             |             |             |             |
| Operating activities                         | 17.883      | 12.646      | 6.832       | 27.219      | 31.705      |
| Investing activities                         | 0           | -560        | -173        | -436        | -885        |
| Financing activities                         | -126        | -10.846     | -200        | -60.471     | 83          |
| Total cash flows                             | 17.757      | 1.240       | 6.459       | -33.688     | 30.903      |
| <b>Employees:</b>                            |             |             |             |             |             |
| Average number of full-time employees        | 20          | 19          | 18          | 19          | 19          |
| <b>Key figures in %:</b>                     |             |             |             |             |             |
| Acid test ratio                              | 641,6       | 439,4       | 542,1       | 375,3       | 1.443,2     |
| Solvency ratio                               | 84,0        | 76,8        | 82,1        | 75,0        | 91,9        |
| Return on equity                             | 34,6        | 31,2        | 38,8        | 29,0        | 59,7        |

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

**Acid test ratio** 
$$\frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$$

**Solvency ratio** 
$$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

**Return on equity** 
$$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$$

## **Management's review**

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### **Description of key activities of the company**

Like previous years, the principal activity has consisted of the purchase and sales of nursing requisites to public and private institutions, and to private persons.

### **Development in activities and financial matters**

The gross profit for the year totals DKK 38.156.083 against DKK 30.698.799 last year. The net profit after tax for the year totals DKK 20.596.142 against DKK 14.766.694 last year. Management considers the result for the year satisfactory.

The net profit is significantly better than expected. The activity is at the same level as last year, but as a result of higher earnings on some business areas, the total earnings have improved.

As at the balance sheet date, the company's balance sheet shows total assets of DKK 83.064.311 as against DKK 64.039.286 last year, corresponding to an increase of DKK 19.025.025.

As at the balance sheet date, the equity capital totals DKK 69.768.990, corresponding to an asset to equity ratio of 84,0 % of the total assets of DKK 83.064.311, which is an increase of 7,2 % compared to last year.

### **Research and development activities**

The company has no direct research and development activities.

### **Expected developments**

The intense competition in the market is expected to continue in the coming financial year. At the same time, prices for purchases from suppliers are expected to continue to rise. As a result, the company expects a lower result for the coming financial year. The company expects to continue to have a satisfactory cash position.

### **Events occurring after the end of the financial year**

No events have occurred after the end of the financial year which could significantly impact the company's financial position.

## Income statement 1 January - 31 December

All amounts in DKK.

| <u>Note</u>                                | <u>2023</u>       | <u>2022</u>       |
|--|-------------------|-------------------|
| <b>Gross profit</b>                        | <b>38.156.083</b> | <b>30.698.799</b> |
| 1 Staff costs                              | -11.785.356       | -10.828.181       |
| Depreciation, amortisation, and impairment | -701.948          | -733.068          |
| <b>Profit before net financials</b>        | <b>25.668.779</b> | <b>19.137.550</b> |
| Financial income from group enterprises    | 471.880           | 0                 |
| Other financial income                     | 449.020           | 18.538            |
| Financial expenses                         | -181.077          | -221.417          |
| <b>Pre-tax net profit or loss</b>          | <b>26.408.602</b> | <b>18.934.671</b> |
| Tax on net profit for the year             | -5.812.460        | -4.167.977        |
| <b>2 Net profit or loss for the year</b>   | <b>20.596.142</b> | <b>14.766.694</b> |

## Balance sheet at 31 December

All amounts in DKK.

| <u>Note</u>                                     | <u>2023</u>       | <u>2022</u>       |
|---|-------------------|-------------------|
| <b>Assets</b>                                   |                   |                   |
| <b>Non-current assets</b>                       |                   |                   |
| 3 Acquired rights, software                     | 40.839            | 114.720           |
| Total intangible assets                         | 40.839            | 114.720           |
| 4 Other fixtures, fittings, tools and equipment | 1.347.825         | 1.805.648         |
| Total property, plant, and equipment            | 1.347.825         | 1.805.648         |
| 5 Deposits                                      | 166.250           | 166.250           |
| Total investments                               | 166.250           | 166.250           |
| <b>Total non-current assets</b>                 | <b>1.554.914</b>  | <b>2.086.618</b>  |
| <b>Current assets</b>                           |                   |                   |
| Commercial goods                                | 22.808.104        | 26.728.243        |
| Total inventories                               | 22.808.104        | 26.728.243        |
| Trade receivables                               | 18.432.653        | 22.053.448        |
| Receivables from group enterprises              | 10.189.000        | 0                 |
| Income tax receivables                          | 0                 | 617.806           |
| Other receivables                               | 32.000            | 367.000           |
| 6 Prepayments                                   | 175.359           | 70.631            |
| Total receivables                               | 28.829.012        | 23.108.885        |
| Cash and cash equivalents                       | 29.872.281        | 12.115.540        |
| <b>Total current assets</b>                     | <b>81.509.397</b> | <b>61.952.668</b> |
| <b>Total assets</b>                             | <b>83.064.311</b> | <b>64.039.286</b> |

**Balance sheet at 31 December**

All amounts in DKK.

| <u>Note</u>   | <u>2023</u>       | <u>2022</u>       |
|---|-------------------|-------------------|
| <b>Equity and liabilities</b>                       |                   |                   |
| <b>Equity</b>                                       |                   |                   |
| 7 Contributed capital                               | 500.000           | 500.000           |
| Retained earnings                                   | 69.268.990        | 48.672.848        |
| <b>Total equity</b>                                 | <b>69.768.990</b> | <b>49.172.848</b> |
| <b>Provisions</b>                                   |                   |                   |
| 8 Provisions for deferred tax                       | 30.326            | 75.608            |
| <b>Total provisions</b>                             | <b>30.326</b>     | <b>75.608</b>     |
| <b>Liabilities other than provisions</b>            |                   |                   |
| Lease liabilities                                   | 561.580           | 692.615           |
| 9 Total long term liabilities other than provisions | 561.580           | 692.615           |
| 9 Current portion of long term liabilities          | 131.000           | 126.000           |
| Trade payables                                      | 5.914.120         | 4.988.130         |
| Payables to group enterprises                       | 2.750.938         | 7.291.148         |
| Income tax payable                                  | 457.742           | 0                 |
| Other payables                                      | 3.449.615         | 1.692.937         |
| Total short term liabilities other than provisions  | 12.703.415        | 14.098.215        |
| <b>Total liabilities other than provisions</b>      | <b>13.264.995</b> | <b>14.790.830</b> |
| <b>Total equity and liabilities</b>                 | <b>83.064.311</b> | <b>64.039.286</b> |
| <b>10 Charges and security</b>                      |                   |                   |
| <b>11 Contingencies</b>                             |                   |                   |
| <b>12 Related parties</b>                           |                   |                   |

## Statement of changes in equity

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All amounts in DKK.

|                                | <b>Contributed<br/>capital</b> | <b>Retained<br/>earnings</b> | <b>Proposed<br/>dividend for<br/>the financial<br/>year</b> | <b>Total</b>      |
|--------------------------------|--------------------------------|------------------------------|---|-------------------|
| Equity 1 January 2022          | 500.000                        | 33.906.154                   | 11.000.000  | 45.406.154        |
| Distributed dividend           | 0                              | 0                            | -11.000.000   | -11.000.000       |
| Retained earnings for the year | 0                              | 14.766.694                   | 0   | 14.766.694        |
| Equity 1 January 2023          | 500.000                        | 48.672.848                   | 0   | 49.172.848        |
| Retained earnings for the year | 0                              | 20.596.142                   | 0   | 20.596.142        |
|                                | <b>500.000</b>                 | <b>69.268.990</b>            | <b>0</b>  | <b>69.768.990</b> |

## Statement of cash flows 1 January - 31 December

All amounts in DKK.

| <u>Note</u>  | <u>2023</u>              | <u>2022</u>               |
|--|--------------------------|---------------------------|
| Net profit or loss for the year                            | 20.596.142               | 14.766.694                |
| 13 Adjustments   | 5.604.341                | 4.932.277                 |
| 14 Change in working capital                               | <u>-4.275.336</u>        | <u>-2.650.014</u>         |
| Cash flows from operating activities before net financials | 21.925.147               | 17.048.957                |
| Interest received, etc.                                    | 920.900                  | 18.538                    |
| Interest paid, etc.  | <u>-181.077</u>          | <u>-221.417</u>           |
| Cash flows from ordinary activities                        | 22.664.970               | 16.846.078                |
| Income tax paid  | <u>-4.782.194</u>        | <u>-4.200.000</u>         |
| <b>Cash flows from operating activities</b>                | <b><u>17.882.776</u></b> | <b><u>12.646.078</u></b>  |
| Purchase of property, plant, and equipment                 | 0                        | -1.224.957                |
| Sale of property, plant, and equipment                     | <u>0</u>                 | <u>665.000</u>            |
| <b>Cash flow from investing activities</b>                 | <b><u>0</u></b>          | <b><u>-559.957</u></b>    |
| Long-term payables incurred                                | 0                        | 1.120.357                 |
| Repayments of long-term payables                           | -126.035                 | -966.742                  |
| Dividend paid  | <u>0</u>                 | <u>-11.000.000</u>        |
| <b>Cash flow from financing activities</b>                 | <b><u>-126.035</u></b>   | <b><u>-10.846.385</u></b> |
| <b>Change in cash and cash equivalents</b>                 | <b>17.756.741</b>        | <b>1.239.736</b>          |
| Cash and cash equivalents at 1 January                     | <u>12.115.540</u>        | <u>10.875.804</u>         |
| <b>Cash and cash equivalents at 31 December</b>            | <b><u>29.872.281</u></b> | <b><u>12.115.540</u></b>  |
| <b>Cash and cash equivalents</b>                           |                          |                           |
| Cash and cash equivalents                                  | <u>29.872.281</u>        | <u>12.115.540</u>         |
| <b>Cash and cash equivalents at 31 December</b>            | <b><u>29.872.281</u></b> | <b><u>12.115.540</u></b>  |

## Notes

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All amounts in DKK.

|                                 | <u>2023</u>              | <u>2022</u>              |
|---------------------------------|--------------------------|--------------------------|
| <b>1. Staff costs</b>           |                          |                          |
| Salaries and wages              | 10.239.578               | 9.425.308                |
| Pension costs                   | 1.378.997                | 1.237.836                |
| Other costs for social security | <u>166.781</u>           | <u>165.037</u>           |
|                                 | <b><u>11.785.356</u></b> | <b><u>10.828.181</u></b> |
| <br>                            |                          |                          |
| Average number of employees     | <u>20</u>                | <u>19</u>                |

Salaries and pension to management is not disclosed due to the fact that the company is subject to the Danish Financial Statements Act article 98b, paragraph 3, no 2.

|   | <u>2023</u>              | <u>2022</u>              |
|---|--------------------------|--------------------------|
| <b>2. Proposed distribution of net profit</b> |                          |                          |
| Transferred to retained earnings              | <u>20.596.142</u>        | <u>14.766.694</u>        |
| <b>Total allocations and transfers</b>        | <b><u>20.596.142</u></b> | <b><u>14.766.694</u></b> |

|                                     | <u>31/12 2023</u>        | <u>31/12 2022</u>        |
|-------------------------------------|--------------------------|--------------------------|
| <b>3. Acquired rights, software</b> |                          |                          |
| Cost 1 January                      | <u>1.115.611</u>         | <u>1.115.611</u>         |
| <b>Cost 31 December</b>             | <b><u>1.115.611</u></b>  | <b><u>1.115.611</u></b>  |
| <br>                                |                          |                          |
| Amortisation 1 January              | -1.000.891               | -909.807                 |
| Amortisation for the year           | <u>-73.881</u>           | <u>-91.084</u>           |
| <b>Amortisation 31 December</b>     | <b><u>-1.074.772</u></b> | <b><u>-1.000.891</u></b> |
| <br>                                |                          |                          |
| <b>Carrying amount, 31 December</b> | <b><u>40.839</u></b>     | <b><u>114.720</u></b>    |

## Notes

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All amounts in DKK.

|   | <u>31/12 2023</u>        | <u>31/12 2022</u>        |
|---|--------------------------|--------------------------|
| <b>4. Other fixtures, fittings, tools and equipment</b>   |                          |                          |
| Cost 1 January  | 3.037.277                | 3.179.502                |
| Additions during the year   | 0                        | 1.224.957                |
| Disposals during the year   | <u>0</u>                 | <u>-1.367.182</u>        |
| <b>Cost 31 December</b>   | <b><u>3.037.277</u></b>  | <b><u>3.037.277</u></b>  |
| Depreciation 1 January  | -1.231.629               | -1.463.474               |
| Depreciation for the year   | -457.823                 | -470.337                 |
| Reversal of depreciation, assets disposed of  | <u>0</u>                 | <u>702.182</u>           |
| <b>Depreciation 31 December</b>   | <b><u>-1.689.452</u></b> | <b><u>-1.231.629</u></b> |
| <b>Carrying amount, 31 December</b>   | <b><u>1.347.825</u></b>  | <b><u>1.805.648</u></b>  |
| Lease assets are recognised at a carrying amount of   | <u>755.962</u>           | <u>946.081</u>           |
| <b>5. Deposits</b>  |                          |                          |
| Cost 1 January  | <u>166.250</u>           | <u>166.250</u>           |
| <b>Cost 31 December</b>   | <b><u>166.250</u></b>    | <b><u>166.250</u></b>    |
| <b>Carrying amount, 31 December</b>   | <b><u>166.250</u></b>    | <b><u>166.250</u></b>    |
| <b>6. Prepayments</b>   |                          |                          |
| Prepaid insurance   | 67.446                   | 52.191                   |
| Prepaid sales costs   | 40.000                   | 0                        |
| Other prepayments   | <u>67.913</u>            | <u>18.440</u>            |
|   | <b><u>175.359</u></b>    | <b><u>70.631</u></b>     |
| <b>7. Contributed capital</b>   |                          |                          |
| The share capital consists of 20 shares, each with a nominal value of DKK 25.000. No shares hold particular rights. |                          |                          |

## Notes

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All amounts in DKK.

|  | <u>31/12 2023</u>    | <u>31/12 2022</u>    |
|--|----------------------|----------------------|
| <b>8. Provisions for deferred tax</b>                |                      |                      |
| Provisions for deferred tax 1 January                | 75.608               | 76.763               |
| Deferred tax relating to the net profit for the year | <u>-45.282</u>       | <u>-1.155</u>        |
|  | <b><u>30.326</u></b> | <b><u>75.608</u></b> |

### 9. Long term liabilities other than provisions

|                   | <u>Total payables<br/>31 Dec 2023</u> | <u>Current<br/>portion of long<br/>term payables</u> | <u>Long term<br/>payables<br/>31 Dec 2023</u> | <u>Outstanding<br/>payables after<br/>5 years</u> |
|-------------------|---------------------------------------|--|---|---|
| Lease liabilities | <u>692.580</u>                        | <u>131.000</u>                                       | <u>561.580</u>                                | <u>0</u>  |
|                   | <b><u>692.580</u></b>                 | <b><u>131.000</u></b>                                | <b><u>561.580</u></b>                         | <b><u>0</u></b>                                   |

### 10. Charges and security

Other fixtures, fittings, tools, and equipment representing a carrying amount of DKK 755.962 at 31 December 2023, cf. note 4, have been financed by means of finance leases. At 31 December 2023, this lease liability totals DKK 692.580.

### 11. Contingencies

#### Contingent liabilities

The company has concluded rental agreements with a mean annual rent totalling DKK 927.000. The rental agreements are terminable with a minimum of one to nine months notice.

#### Joint taxation

With Dansac A/S, company reg. no 34 09 48 10 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

## Notes

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All amounts in DKK.

### 11. Contingencies (continued)

#### Joint taxation (continued)

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

### 12. Related parties

#### Controlling interest

|  |                       |        |
|--|-----------------------|--------|
| The Firm of John Dickinson Schneider Inc.<br>2000 Hollister Drive, 60048 Libertyville<br>Illinois, USA   | Ultimate<br>company   | parent |
| KMT Medical Incorporated,<br>KMT Medical Europe Limited and<br>Mollehoj Enterprises LLC<br>1209 Orange Street, 19801 Wilmington<br>Delaware, USA | Majority shareholders |        |
| JLP Services S.á. r.l.<br>14, Rue Edward Steichen, L-2540<br>Luxembourg  | Majority shareholder  |        |

#### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with the Danish Financial Statements Act article 98c paragraph 7. All related party transactions carried out during the financial year have been made on arm's length basis.

#### Consolidated financial statements

None of the company's parent companies present public consolidated financial statements.

## Notes

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All amounts in DKK.

|   | <u>2023</u>              | <u>2022</u>              |
|---|--------------------------|--------------------------|
| <b>13. Adjustments</b>                      |                          |                          |
| Depreciation, amortisation, and impairment  | 531.704                  | 561.421                  |
| Other financial income                      | -920.900                 | -18.538                  |
| Financial expenses                          | 181.077                  | 221.417                  |
| Tax on net profit for the year              | 5.812.460                | 4.167.977                |
|   | <u><b>5.604.341</b></u>  | <u><b>4.932.277</b></u>  |
| <b>14. Change in working capital</b>        |                          |                          |
| Change in inventories                       | 3.920.139                | -6.922.816               |
| Change in receivables                       | -6.337.933               | -547.700                 |
| Change in trade payables and other payables | -1.857.542               | 4.820.502                |
|   | <u><b>-4.275.336</b></u> | <u><b>-2.650.014</b></u> |

## **Accounting policies**

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The annual report for Kirstine Hardam A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### **Recognition and measurement in general**

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### **Foreign currency translation**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

## **Income statement**

### **Gross profit**

Gross profit comprises the revenue, cost of goods sold, other operating income and other external costs.

## **Accounting policies**

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Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of goods sold comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets as well as salary reimbursements received.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises and loss on receivables.

### **Staff costs**

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

### **Depreciation, amortisation, and write-down for impairment**

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

## Accounting policies

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### Statement of financial position

#### Intangible assets

##### Acquired rights, software

Acquired rights comprise software and are measured at cost with deduction of accumulated amortisation. Acquired rights are amortised on a straight-line basis over the estimated financial life which is 3-5 years.

##### Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

|  | Useful life | Residual value |
|--|-------------|----------------|
| Other fixtures and fittings, tools and equipment | 3-10 years  | DKK 719.000    |

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

#### Leases

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

## **Accounting policies**

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The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

### **Impairment loss relating to non-current assets**

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

### **Investments**

#### **Deposits**

Deposits are measured at amortised cost and represent lease deposits, etc.

#### **Inventories**

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

#### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value. In order to meet expected losses, impairment takes place at the net realisable value.

#### **Prepayments**

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand.

## **Accounting policies**

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### **Income tax and deferred tax**

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, Kirstine Hardam A/S is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates on the reporting date when the deferred tax is expected to be released as current tax.

### **Liabilities other than provisions**

Capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

### **Statement of cash flows**

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investing activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

#### **Cash flows from operating activities**

Cash flows from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid.

#### **Cash flows from investing activities**

Cash flows from investing activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

## **Accounting policies**

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### **Cash flows from financing activities**

Cash flows from financing activities include changes in the size or the composition of the company's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits.