

Qmed Consulting A/S

Købmagergade 53, 1., 1150 København K

CVR no. 30 56 42 78

Annual report

for the year 1 January - 31 December 2023

Approved at the Company's annual general meeting on 28 June 2024

Chair of the meeting:

.....
Mikael Ørum

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Qmed Consulting A/S for the financial year 1 January - 31 December 2023.

The annual report is prepared in accordance with 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 for the financial year 1 January - 31 December 2023.

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

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 28 June 2024
Executive Board:

.....
Helene Hansen

Board of Directors:

.....
Mikael Ørum
Chairman

.....
Helene Hansen
Board member

.....
Morten Holst Hansen
Board member

Independent auditor's report

To the shareholder of Qmed Consulting A/S

Opinion

We have audited the financial statements of Qmed Consulting A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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.

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 as to 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 the financial statements.

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.

Independent auditor's report

- ▶ 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 note 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 the Management's review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Copenhagen, 28 June 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Peter Andersen
State Authorised Public Accountant
mne34313

Management's review

Company details

Name	Qmed Consulting A/S
Address, Postal code, City	Købmagergade 53, 1., 1150 København K
CVR no.	30 56 42 78
Established	10 June 2008
Registered office	København
Financial year	1 January - 31 December
Website	http://www.qmed-consulting.com/
E-mail	info@qmed-consulting.com
Board of Directors	Mikael Ørum, Chairman Helene Hansen, Board member Morten Holst Hansen, Board member
Executive Board	Helene Hansen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

The Company offers strategic consulting services based on best-in class knowledge, experience and competences from a result-oriented and highly motivated team of international medical device strategic advisors, CRO specialists and commercial healthcare experts.

Financial review

The income statement for 2023 shows a profit of DKK 1,402,018 against a loss of DKK 3,493,872 last year, and the balance sheet at 31 December 2023 shows equity of DKK 2,434,497.

Management considers the Company's financial performance in the year satisfactory.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2023	2022
	Gross profit	14,150,837	9,856,407
2	Staff costs	-12,880,411	-13,271,635
	Amortisation and depreciation on leasehold improvements	-185,346	-196,276
	Profit/loss before net financials	1,085,080	-3,611,504
	Income from investments in group entities	452,092	121,399
3	Financial income	47,240	54,218
4	Financial expenses	-109,165	-159,788
	Profit/loss before tax	1,475,247	-3,595,675
5	Tax for the year	-73,229	101,803
	Profit/loss for the year	<u>1,402,018</u>	<u>-3,493,872</u>
	Recommended appropriation of profit/loss		
	Net revaluation reserve according to the equity method	452,092	121,399
	Retained earnings/accumulated loss	949,926	-3,615,271
		<u>1,402,018</u>	<u>-3,493,872</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2023</u>	<u>2022</u>
	ASSETS		
	Fixed assets		
6	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	109,137	213,870
	Leasehold improvements	83,544	127,030
		<u>192,681</u>	<u>340,900</u>
7	Investments		
	Investments in group entities, net asset value	1,111,653	659,561
	Deposits, investments	291,509	142,055
		<u>1,403,162</u>	<u>801,616</u>
	Total fixed assets	<u>1,595,843</u>	<u>1,142,516</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	17,613,410	5,315,965
	Work in progress for third parties	170,899	235,763
	Receivables from group entities	99,247	151,972
	Deferred tax assets	18,628	91,856
	Joint taxation contribution receivable	40,042	40,042
	Other receivables	349,007	400,475
	Prepayments	106,819	196,018
		<u>18,398,052</u>	<u>6,432,091</u>
	Cash	<u>8,431,725</u>	<u>5,719,031</u>
	Total non-fixed assets	<u>26,829,777</u>	<u>12,151,122</u>
	TOTAL ASSETS	<u><u>28,425,620</u></u>	<u><u>13,293,638</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2023</u>	<u>2022</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	1,000,000	1,000,000
	Net revaluation reserve according to the equity method	974,923	522,831
	Retained earnings	459,574	-490,352
	Total equity	<u>2,434,497</u>	<u>1,032,479</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	3,426,629	4,082,657
	Payables to group entities	2,340,889	1,740,531
	Other payables	562,964	182,259
	Deferred income	19,660,641	6,255,712
		<u>25,991,123</u>	<u>12,261,159</u>
	Total liabilities other than provisions	<u>25,991,123</u>	<u>12,261,159</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>28,425,620</u></u>	<u><u>13,293,638</u></u>

- 1 Accounting policies
- 8 Contractual obligations and contingencies, etc.
- 9 Security and collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
Equity at 1 January 2022	1,000,000	401,432	3,124,919	4,526,351
Transfer through appropriation of loss	0	0	-3,615,271	-3,615,271
Profit/loss in subsidiaries	0	121,399	0	121,399
Equity at 1 January 2023	1,000,000	522,831	-490,352	1,032,479
Transfer through appropriation of profit	0	452,092	949,926	1,402,018
Equity at 31 December 2023	1,000,000	974,923	459,574	2,434,497

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Qmed Consulting A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and 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 rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the rendering of services is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (production method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

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

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to sale, advertising, administration, premises, bad debts, payments under operating leases, 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. The item is net of refunds made by public authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Depreciation

The item comprises amortisation of goodwill and depreciation on leasehold improvements.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Other fixtures and fittings, tools and equipment	3 years
Leasehold improvements	5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Profit/loss from investments in group entities

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In group entities, the full elimination of internal profit and loss is carried out without regard to ownership shares.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Investments in group entities

Equity investments in group entities are measured according to the equity method.

On initial recognition, equity investments in group entities are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in group entities measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

The carrying amount of property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Work in progress for third parties

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash consists of cash deposits in banks.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in group entities and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

DKK	2023	2022
2 Staff costs		
Wages/salaries	11,416,579	11,557,735
Pensions	1,207,252	1,383,089
Other social security costs	157,415	173,700
Other staff costs	99,165	157,111
	12,880,411	13,271,635
 Average number of full-time employees	 17	 21
3 Financial income		
Interest receivable, group entities	0	691
Other financial income	47,240	53,527
	47,240	54,218
4 Financial expenses		
Interest expenses, participating interests	0	14,218
Other financial expenses	109,165	145,570
	109,165	159,788
 DKK	 2023	 2022
5 Tax for the year		
Estimated tax charge for the year	0	-40,042
Deferred tax adjustments in the year	73,229	-61,761
	73,229	-101,803

Financial statements 1 January - 31 December

Notes to the financial statements

6 Property, plant and equipment

DKK

Cost at 1 January 2023

Additions in the year

Cost at 31 December 2023

Impairment losses and depreciation at 1 January 2023

Depreciation in the year

Impairment losses and depreciation at 31 December 2023

Carrying amount at 31 December 2023

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	575,081	300,477	875,558
	37,125	0	37,125
	<u>612,206</u>	<u>300,477</u>	<u>912,683</u>
	361,211	173,447	534,658
	141,858	43,486	185,344
	<u>503,069</u>	<u>216,933</u>	<u>720,002</u>
	<u>109,137</u>	<u>83,544</u>	<u>192,681</u>

Financial statements 1 January - 31 December

Notes to the financial statements

7 Investments

DKK	Investments in group entities, net asset value	Deposits, investments	Total
Cost at 1 January 2023	136,730	142,055	278,785
Additions in the year	0	149,454	149,454
Cost at 31 December 2023	136,730	291,509	428,239
Value adjustments at 1 January 2023	522,831	0	522,831
Share of the profit for the year	452,092	0	452,092
Value adjustments at 31 December 2023	974,923	0	974,923
Carrying amount at 31 December 2023	1,111,653	291,509	1,403,162

Group entities

Name	Legal form	Domicile	Interest	Equity DKK	Profit/loss DKK
Qmed Consulting Team	ApS	København	100.00%	888,205	228,644
Qmed Norway	AS	Trondheim	100.00%	223,448	926,080

8 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent, HM Hansen Holding ApS, which acts as management company, and is jointly taxed for payment of income taxes for the income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

Other financial obligations

Rent and lease liabilities include a rent obligation totalling DKK 146 thousand in interminable rent agreements with remaining contract terms of 6 months.

The Company have issued a letter of subordination of 86.498 DKK for a Group company in which they will be subordinated the company's external creditors. This last for 12 months after the approval of the financial statements of 2023.

The Company has filed a claim against a client on the 29 march 2022. The claim concerns invoiced consulting services delivered in 2021, which amounts to DKK 913 thousand. The client has disputed the claim on 10 june 2022 with a counterclaim on DKK 1,588 thousand. The case is still ongoing.

The Company disagrees with the counterclaim and have proceed with legal assistance.

9 Security and collateral

The Company has not provided any security or other collateral in assets at 31 December 2023.