

PrimaCare A/S

Annual report 2023

1 January - 31 December 2023

Hørkær 12B
DK-2730 Herlev
Business Registration No. 36980397

The Annual General Meeting adopted the annual report on 29 April 2024

Pernille Lundin Larsen, Chairman of the General Meeting

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GENERAL INFORMATION

Company:

PrimaCare A/S
Hørkær 12 B
DK-2730 Herlev

Business registration no.: 36980397
Registered in: Herlev
Financial year: 01.01.2023 - 31.12.2023

Parent

Oona Health A/S
Hørkær 12 B
DK-2730 Herlev

Board of Directors

Allan Møller
Kent Jensen
Rasmus Ruby-Johansen

Executive Board

Kent Jensen
Flemming Bonde Jakobsen

Company auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen S
Business registration no. 33963556

MANAGEMENT COMMENTARY

Primary activities

PrimaCare is a network health care company providing physiotherapy, chiropractic, and psychological help to insurance companies, including Dansk Sundhedssikring (DSS) in particular, but also health care solutions in its own name primarily to state-controlled entities and their employees. Such health care solutions typically comprise treatment arrangements with physiotherapy, chiropractic and massage at the entity's premises, and psychological help, health certificate, occupational therapist examinations or other prevention initiatives at external locations.

Development in activities and finances

The result after tax for the year amounted to a loss of DKK 2,968 thousand against a loss of DKK 3,011 thousand in 2022. According to Management the result for 2023 is unsatisfying.

Outlook

PrimaCare expects to be able to continue the positive development with additional state-controlled entities as its own customers. In addition, PrimaCare is expected to continue to support DSS' increasing growth and to be able to deliver the same amount of physiotherapy, chiropractic and psychological support as in 2023.

All in all, it will lead to improvement in profitability of the business and create expectations for increased revenue and earnings in 2024. Profit after tax for 2024 is expected to be in the range of a profit DKK 500 thousand to a loss of DKK 500 thousand after tax.

Going concern

The parent company of PrimaCare has issued a letter of intent in which it confirms its willingness to support in terms of liquidity, capital, and subordination vis-à-vis other accounts payable to the extent necessary.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and the Executive Board have today considered and approved the annual report of PrimaCare A/S for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act. In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2023 and of its financial performance for the financial year 1 January to 31 December 2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Herlev, 29 April 2024

Executive Board:

Kent Jensen

Flemming Bonde Jakobsen

Board of Directors:

Allan Møller

Kent Jensen

Rasmus Ruby-Johansen

INDEPENDENT AUDITOR'S REPORT

To the shareholders of PrimaCare A/S

Opinion

We have audited the financial statements of PrimaCare A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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.

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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

INDEPENDENT AUDITOR 'S REPORT

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Copenhagen, 29 April 2024

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Anders Oldau Gjelstrup
State-Authorised Public Accountant
Identification No (MNE) mne10777

Kristian Ehrenreich Hansen
State-Authorised Public Accountant
Identification No (MNE) mne46662

INCOME STATEMENT

DKK'000	Note	2023	2022
Gross profit		9,269	8,187
Staff costs	2	(12,815)	(11,684)
Depreciation, amortisation and impairment losses	3	(35)	(40)
Operating profit/loss		(3,581)	(3,538)
Other financial income		91	9
Other financial expenses	4	(314)	(313)
PROFIT/LOSS BEFORE TAX		(3,805)	(3,842)
Tax on profit/loss for the year	5	837	831
PROFIT/LOSS FOR THE YEAR		(2,968)	(3,011)
Proposed distribution of profit/loss:			
Retained earnings		(2,968)	(3,011)
		(2,968)	(3,011)

BALANCE SHEET - ASSETS

DKK'000	Note	2023	2022
Completed development projects		0	0
Intangible assets	6	0	0
Other fixtures and fittings, tools and equipment		0	35
Property, plant and equipment	7	0	35
FIXED ASSETS		0	35
Trade receivables		1,828	1,567
Receivables from group entities		152	0
Other receivables		46	0
Deferred tax		845	1,533
Prepayments		24,340	26,809
Receivables		27,212	29,908
Cash		201	371
CURRENT ASSETS		27,413	30,279
ASSETS		27,413	30,315

BALANCE SHEET - LIABILITIES

DKK'000	Note	2023	2022
Contributed capital	8	500	500
Retained earnings		(750)	2,218
TOTAL EQUITY		(250)	2,718
Trade payables		117	442
Payables to group entities		0	2,966
Other payables		2,315	1,649
Accruals and deferred income		25,231	22,539
Liabilities other than provisions (current and non-current)		27,662	27,597
LIABILITIES OTHER THAN PROVISIONS		27,662	27,597
EQUITY AND LIABILITIES		27,413	30,315
Going Concern	1		
Consolidation	9		
Contingent liabilities	10		
Accounting policies	11		

STATEMENT OF CHANGES IN EQUITY

DKK'000

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500	2,218	2,718
Profit/loss for the year		(2,968)	(2,968)
Equity end of year	500	(750)	(250)

NOTES

1. Going Concern

The Company's equity is negative. The Company's liabilities at 31 December 2023 exceeds its assets by DKKt 250.

The parent company of PrimaCare has issued a letter of intent in which it confirms its willingness to support in terms of liquidity, capital, and subordination vis-à-vis other accounts payable to the extent necessary.

On this basis, the annual report is presented under the assumption of going concern.

	2023	2022
	DKK'000	DKK'000
2. Staff costs		
Wages and salaries	10,955	10,037
Pension costs	1,192	913
Other social security costs	108	144
Other staff costs	560	590
	12,815	11,684
Average number of full-time employees	26	24

	2023	2022
	DKK'000	DKK'000
3. Depreciation, amortisation and impairment losses		
Depreciation on property, plant and equipment	35	40
	35	40

	2023	2022
	DKK'000	DKK'000
4. Other financial expenses		
Financial expenses from group entities	114	178
Other interest expenses	2	15
Other financial expenses	198	121
	314	313

	2023	2022
	DKK'000	DKK'000
5. Tax on profit/loss for the year		
Current tax	0	0
Change in deferred tax	(837)	(831)
	(837)	(831)

NOTES

	Acquired intangible assets DKK'000	Completed development costs DKK'000
6. Intangible assets		
Cost beginning of year	150	7,080
Cost end of year	150	7,080
Amortisation and impairment losses beginning of year	(150)	(7,080)
Amortisation and impairment losses end of year	(150)	(7,080)
Carrying amount end of year	0	0

	Other fixtures and fittings, tools and equipment DKK'000
7. Property, plant and equipment	
Cost beginning of year	262
Cost end of year	262
Depreciation and impairment losses beginning of year	(227)
Depreciation and impairment losses for the year	(35)
Depreciation and impairment losses end of year	(262)
Carrying amount end of year	0

	Nominal value DKK'000	Par value DKK'000	Recorded par value DKK'000
8. Contributed capital			
Shares	500	1	500
	500	1	500

9. Consolidation

The financial statement for PrimaCare A/S is included in consolidation in the financial statement of Topdanmark A/S, Ballerup as the lowest company and in the financial statement of Sampo plc, Fabianinkatu 27, Helsinki, Finland, as the highest company.

10. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Daytona Midco limited serves as the administration company until 30. november 2023.

From the 1. December 2023 the Company participates in a joint taxation with Topdanmark A/S as the administration company.

According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

Notes

11. Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C enterprises.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is affected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and other external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses comprise expenses related to the Company's primary activities, including cost of premises, stationary and office supplies, promotion expenses, etc. The item also includes write-down of receivables recognised under current assets.

Staff costs

Staff costs comprise wages and salaries as well as expenses for social security, pensions, etc. to the Company's employees.

Depreciation, amortisation and impairment losses

Depreciation and amortisation of property, plant and equipment and intangible assets comprise depreciation and amortisation of the financial year calculated based on the fixed residual values and useful lives of each asset and performed impairment tests and of gains and losses on the sale of property, plant and equipment and intangible assets.

Other financial income

Other financial income comprise interest income, including interest income from receivables from group entities, payables and transactions in foreign currencies, as well as tax relief under the Danish Tax Prepayment Scheme.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses from payables to group enterprises and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme.

Notes

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Company is jointly taxed with its Parent. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights, etc.

Intellectual property rights, etc. comprise ongoing and completed development projects with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question are recognised as intangible assets.

Other development costs are recognised as costs in the income statement as incurred.

When recognising development costs as intangible assets, an amount equal to the expenses incurred is tied to equity under the reserve for development costs which is reduced concurrently with the amortisation and write-down of the development projects.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using the estimated useful lives determined based on a specific assessment of the individual development project. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights, however, no more than 10 years.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready for operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment 3-5 years

Expected useful lives and residual values are reassessed on an annual basis.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less provisions for bad debts.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash and cash equivalents

Cash and cash equivalents comprises bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company.

Other liabilities are recognised at amortised cost.