
Duomed Holding Scandinavia ApS

Lejrvej 25, DK-3500 Værløse

Annual Report for 2023

CVR No. 38 58 41 11

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 26/4 2024

Frédéric Patrice A.
Hoffmann
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	4
Management's Review	5
Financial Statements	
Income Statement 1 January - 31 December	6
Balance sheet 31 December	7
Statement of changes in equity	9
Notes to the Financial Statements	10

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Duomed Holding Scandinavia ApS 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 at 31 December 2023 of the Company and of the results of the Company operations for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Værløse, 26 April 2024

Executive Board

Frédéric Patrice A. Hoffmann
CEO

Board of Directors

Reinier van der List
Chairman

Kristof Jozef A Marivoet

Frédéric Patrice A. Hoffmann

Independent Auditor's report

To the shareholder of Duomed Holding Scandinavia ApS

Opinion

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.

We have audited the Financial Statements of Duomed Holding Scandinavia ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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.

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.

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, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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.

Independent Auditor's report

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 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.

Hillerød, 26 April 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Aslund Pedersen

State Authorised Public Accountant

mne17120

Company information

The Company	Duomed Holding Scandinavia ApS Lejrvej 25 DK-3500 Værløse CVR No: 38 58 41 11 Financial period: 1 January - 31 December Incorporated: 20 April 2017 Financial year: 7th financial year Municipality of reg. office: Furesø
Board of Directors	Reinier van der List, chairman Kristof Jozef A Marivoet Frédéric Patrice A. Hoffmann
Executive Board	Frédéric Patrice A. Hoffmann
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Milnersvej 43 DK-3400 Hillerød

Management's review

Key activities

The Company's purpose is to hold shares and other securities as well as other activities which the board of directors deem related.

Development in the year

The income statement of the Company for 2023 shows a loss of DKK 27,072,785, and at 31 December 2023 the balance sheet of the Company shows a negative equity of DKK 91,979,859.

Capital resources

The company has lost its equity and therefore covered by the rules in section 119 of the Danish Companies Act concerning capital losses. The Parent Company, Duo-Med Holding B.V., has issued a Letter of Support valid until 30 June 2025.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross profit		3,807,102	3,583,652
Staff expenses	2	-2,309,391	-2,999,435
Profit/loss before financial income and expenses		1,497,711	584,217
Income from investments in subsidiaries		-14,075,542	-16,371,575
Financial income	3	2,789	14,541
Financial expenses	4	-16,100,972	-11,622,373
Profit/loss before tax		-28,676,014	-27,395,190
Tax on profit/loss for the year	5	1,603,229	2,662,287
Net profit/loss for the year		-27,072,785	-24,732,903
 Distribution of profit			
		2023	2022
		DKK	DKK
Proposed distribution of profit			
Retained earnings		-27,072,785	-24,732,903
		-27,072,785	-24,732,903

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Investments in subsidiaries	6	84,289,377	102,360,964
Fixed asset investments		84,289,377	102,360,964
Fixed assets		84,289,377	102,360,964
Receivables from group enterprises		309,157	369,752
Other receivables		219,077	150,000
Deferred tax asset		5,700,000	4,100,000
Corporation tax		0	96,000
Corporation tax receivable from group enterprises		1,421,574	829,641
Receivables		7,649,808	5,545,393
Cash at bank and in hand		934,927	617,448
Current assets		8,584,735	6,162,841
Assets		92,874,112	108,523,805

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		7,436,600	7,436,600
Retained earnings		-99,416,459	-72,343,674
Equity		-91,979,859	-64,907,074
Payables to group enterprises		148,732,004	148,732,004
Payables to owners and Management		18,881,642	17,605,261
Long-term debt	7	167,613,646	166,337,265
Payables to group enterprises	7	14,796,077	6,160,675
Corporation tax		1,421,574	0
Other payables		1,022,674	932,939
Short-term debt		17,240,325	7,093,614
Debt		184,853,971	173,430,879
Liabilities and equity		92,874,112	108,523,805
Going concern	1		
Contingent assets, liabilities and other financial obligations	8		
Related parties	9		
Accounting Policies	10		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 January	7,436,600	-72,343,674	-64,907,074
Net profit/loss for the year	0	-27,072,785	-27,072,785
Equity at 31 December	7,436,600	-99,416,459	-91,979,859

Notes to the Financial Statements

1. Going concern

In order to be able to continue operations as a going concern, the company has received a letter of support, in order to provide sufficient operating liquidity, from its parent company; Duo-Med Holding B.V., that is valid at least until 30 June 2025.

Based on the management's opinion there is no material uncertainty associated with the company's ability to continue its operations and the annual report has thus been prepared based on a going concern basis.

	2023	2022
	DKK	DKK
2. Staff Expenses		
Wages and salaries	2,121,155	2,769,598
Pensions	190,292	225,350
Other social security expenses	4,544	4,487
Other staff expenses	-6,600	0
	<u>2,309,391</u>	<u>2,999,435</u>
Average number of employees	<u>2</u>	<u>2</u>

	2023	2022
	DKK	DKK
3. Financial income		
Other financial income	2,789	13,041
Exchange adjustments	0	1,500
	<u>2,789</u>	<u>14,541</u>

	2023	2022
	DKK	DKK
4. Financial expenses		
Interest paid to group enterprises	14,818,737	10,428,746
Other financial expenses	1,275,997	1,180,037
Exchange adjustments, expenses	6,238	13,590
	<u>16,100,972</u>	<u>11,622,373</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
5. Income tax expense		
Deferred tax for the year	-1,600,000	-771,979
Adjustment of tax concerning previous years	<u>-3,229</u>	<u>-1,890,308</u>
	<u>-1,603,229</u>	<u>-2,662,287</u>

Notes to the Financial Statements

	2023	2022
	DKK	DKK
6. Investments in subsidiaries		
Cost at 1 January	209,672,570	209,672,570
Cost at 31 December	209,672,570	209,672,570
Value adjustments at 1 January	-107,311,607	-90,939,305
Dividend to the Parent Company	-4,000,000	0
Amortisation of goodwill	-19,342,517	-19,343,250
Other adjustments	720	0
Transfers for the year	5,270,211	2,970,949
Value adjustments at 31 December	-125,383,193	-107,311,606
Carrying amount at 31 December	84,289,377	102,360,964
Positive differences arising on initial measurement of subsidiaries at net asset value	66,264,070	85,605,112

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Braun Scandinavia A/S	Furesø	500.000	100%

In 2017 the company acquired the Danish subsidiary Braun Scandinavia A/S. Through the acquisition the company recognized a goodwill of DKK 193m. The book value of goodwill comprises DKK 66 million as per 31 December 2023. Management has calculated an enterprise value which exceeds book value per 31 December 2023.

The calculated enterprise value is performed by extracting the estimated cash flows from the approved budgets and projections for the budget years 2023 and 2024. In addition to these estimates, Management has calculated a terminal period by projecting the final budget year using expected macroeconomics growth rates. Management has highlighted following key figures a WACC with a value of 10,39% and Growth in terminal period with a value of 1,4%.

The primary uncertainties in the enterprise value calculation relate to budget fulfillment. Other uncertainties relate to cost of capital (WACC) as well as growth and profit rates in the terminal period. The applied assumptions are based on Management's best estimate of the growth and earnings. It is Management's expectations, that the long term growth rate does not exceed the market rate as a whole. Management notes, that should the expectations not be met, there is a significant risk, that goodwill would be impaired.

Notes to the Financial Statements

2023	2022
DKK	DKK

7. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Payables to group enterprises

After 5 years	0	0
Between 1 and 5 years	148,732,004	148,732,004
Long-term part	148,732,004	148,732,004
Other short-term debt to group enterprises	14,796,077	6,160,675
	<u>163,528,081</u>	<u>154,892,679</u>

Payables to owner and Management

After 5 years	0	0
Between 1 and 5 years	18,881,642	17,605,261
Long-term part	18,881,642	17,605,261
Within 1 year	0	0
	<u>18,881,642</u>	<u>17,605,261</u>

8. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to DKK 0. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

9. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

Selskabet indgår i koncernrapporten for ultimative moderselskabet.

<u>Name</u>	<u>Place of registered office</u>
Duo-Med Capital B.V.	Wiebachstraat 25 A, Kerkrade, 6466NG, the Netherlands

Notes to the Financial Statements

10. Accounting policies

The Annual Report of Duomed Holding Scandinavia ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

All expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Staff expenses

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.

Notes to the Financial Statements

Staff expenses comprise wages and salaries as well as payroll expenses.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with . The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

Goodwill is the positive difference between cost of investments and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Notes to the Financial Statements

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.