
Duomed Holding Scandinavia ApS

Lejrvej 25, Kirke Værløse, DK-3500 Værløse

Annual Report for 1 January - 31 December 2022

CVR No 38 58 41 11

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
08/06 2023

Reinier van der List
Chairman of the General
Meeting



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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 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

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

Værløse, 8 June 2023

Executive Board

Reinier van der List

Board of Directors

Reinier van der List
Chairman

Kristof Jozef A Marivoet

Roxane Tina J Verlie

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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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 2022, 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 Financials 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.

Independent Auditor's Report

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.

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

Independent Auditor's Report

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, 8 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Aslund Pedersen

statsautoriseret revisor

mne17120

Company Information

The Company

Duomed Holding Scandinavia ApS
Lejrvej 25
Kirke Værløse
DK-3500 Værløse

CVR No: 38 58 41 11

Financial period: 1 January - 31 December

Municipality of reg. office: Furesø

Board of Directors

Reinier van der List, Chairman
Kristof Jozef A Marivoet
Roxane Tina J Verlie

Executive Board

Reinier van der List

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 2022 shows a loss of DKK 24,732,903, and at 31 December 2022 the balance sheet of the Company shows negative equity of DKK 64,907,074.

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 2024.

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	2022 DKK	2021 DKK
Gross profit/loss		3.583.652	3.040.540
Staff expenses	2	-2.999.435	-2.330.752
Profit/loss before financial income and expenses		584.217	709.788
Income from investments in subsidiaries		-16.371.575	-17.321.529
Financial income	3	14.541	50.131
Financial expenses	4	-11.622.373	-11.914.126
Profit/loss before tax		-27.395.190	-28.475.736
Tax on profit/loss for the year	5	2.662.287	2.850.410
Net profit/loss for the year		-24.732.903	-25.625.326

Distribution of profit

Proposed distribution of profit

Retained earnings		-24.732.903	-25.625.326
		-24.732.903	-25.625.326

Balance Sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Investments in subsidiaries	6	102.360.964	118.733.265
Fixed asset investments		102.360.964	118.733.265
Fixed assets		102.360.964	118.733.265
Receivables from group enterprises		369.752	2.403.362
Other receivables		150.000	13.461
Deferred tax asset		4.100.000	3.328.021
Corporation tax		96.000	994.020
Corporation tax receivable from group enterprises		829.641	0
Receivables		5.545.393	6.738.864
Cash at bank and in hand		617.448	333.289
Currents assets		6.162.841	7.072.153
Assets		108.523.805	125.805.418

Balance Sheet 31 December

Liabilities and equity

	Note	2022 DKK	2021 DKK
Share capital		7.436.600	7.436.600
Retained earnings		-72.343.674	-47.610.772
Equity		-64.907.074	-40.174.172
Payables to group enterprises		148.732.004	148.732.004
Payables to owners and Management		17.605.261	16.415.162
Long-term debt	7	166.337.265	165.147.166
Payables to group enterprises	7	6.160.675	0
Other payables		932.939	832.424
Short-term debt		7.093.614	832.424
Debt		173.430.879	165.979.590
Liabilities and equity		108.523.805	125.805.418
Going concern	1		
Contingent assets, liabilities and other financial obligations	8		
Related parties	9		
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Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	7.436.600	-47.610.771	-40.174.171
Net profit/loss for the year	0	-24.732.903	-24.732.903
Equity at 31 December	<u>7.436.600</u>	<u>-72.343.674</u>	<u>-64.907.074</u>

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 2024.

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.

	<u>2022</u> DKK	<u>2021</u> DKK
2 Staff expenses		
Wages and salaries	2.769.598	2.068.812
Pensions	225.350	260.396
Other social security expenses	4.487	1.544
	<u>2.999.435</u>	<u>2.330.752</u>
Average number of employees	<u>2</u>	<u>2</u>
	<u>2022</u> DKK	<u>2021</u> DKK
3 Financial income		
Other financial income	13.041	50.131
Exchange adjustments	1.500	0
	<u>14.541</u>	<u>50.131</u>
4 Financial expenses		
Interest paid to group enterprises	10.428.746	10.793.888
Other financial expenses	1.180.037	1.120.086
Exchange adjustments, expenses	13.590	152
	<u>11.622.373</u>	<u>11.914.126</u>

Notes to the Financial Statements

	2022	2021
	DKK	DKK
5 Tax on profit/loss for the year		
Current tax for the year	0	0
Deferred tax for the year	-771.979	-2.034.239
Adjustment of tax concerning previous years	-1.890.308	-400.425
Adjustment of deferred tax concerning previous years	0	-415.746
	-2.662.287	-2.850.410

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	-90.939.305	-61.617.776
Dividend to the Parent Company	0	-12.000.000
Amortisation of goodwill	-19.343.250	-19.343.250
Share of profit/loss for the year	2.970.949	2.021.721
Value adjustments at 31 December	-107.311.606	-90.939.305
Carrying amount at 31 December	102.360.964	118.733.265
Positive differences arising on initial measurement of subsidiaries at net asset value	85.605.112	104.948.362

Investments in subsidiaries are specified as follows:

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

Notes to the Financial Statements

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 86 million as per 31 December 2022. Management has calculated an enterprise value which exceeds book value per 31 December 2022.

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.

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:

	2022 DKK	2021 DKK
Payables to group enterprises		
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	6.160.675	0
	154.892.679	148.732.004
Payables to owners and Management		
Between 1 and 5 years	17.605.261	16.415.162
Long-term part	17.605.261	16.415.162
Within 1 year	0	0
	17.605.261	16.415.162

Notes to the Financial Statements

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.

9 Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

Selskabet indgår i koncernrapporten for ultimative moderselskabet.

Name	Place of registered office
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 2022 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 2022 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

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, 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. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Notes to the Financial Statements

10 Accounting Policies (continued)

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 indirect production costs and expenses for premises, sales and distribution 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 expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

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.

Notes to the Financial Statements

10 Accounting Policies (continued)

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 wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to 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.

Notes to the Financial Statements

10 Accounting Policies (continued)

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.

Deferred tax assets 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 debts

Loans, such as mortgage loans and loans from credit institutions, 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.