# Dedalus Healthcare Denmark ApS

Dusager 25, 8200 Aarhus N

CVR no. 41 74 49 01

## Annual report 2020/21

(As of the establishment of the Company 8 October 2020 - 31 December 2021)

Approved at the Company's annual general meeting on 4 July 2022

Chair of the meeting:

..................................................

Peter Gille

# Contents

## 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 Dedalus Healthcare Denmark ApS for the financial year as of the establishment of the Company 8 October 2020 - 31 December 2021.

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 2021 and of the results of the Company's operations for the financial year as of the establishment of the Company 8 October 2020 - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Aarhus, 4 July 2022
Executive Board:

Peter Gille
Director

Board of Directors:

| | | |
|---|---|---|
| Peter Gille | Andrea Ciceri | Hans Vandewyngaerde |

## Independent auditor's report

### To the shareholder of Dedalus Healthcare Denmark ApS

### Opinion

We have audited the financial statements of Dedalus Healthcare Denmark ApS for the financial year as of the establishment of the Company 8 October 2020 - 31 December 2021, which comprise an 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 2021, and of the results of the Company's operations for the financial year as of the establishment of the company 8 October 2020 - 31 December 2021 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

## 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, 4 July 2022
KPMG P/S
CVR no. 25 57 81 98

Michael Emanuel Kraul Rasmussen
State Authorised Public Accountant
mne41364

# Management's review

## Company details

| | |
|---|---|
| Name | Dedalus Healthcare Denmark ApS |
| Address, Postal code, City | Dusager 25, 8200 Aarhus N |
| | |
| CVR no. | 41 74 49 01 |
| Established | 8 October 2020 |
| Registered office | Aarhus |
| Financial year | 8 October 2020 - 31 December 2021 |
| | |
| Board of Directors | Peter Gille |
| | Andrea Ciceri |
| | Hans Vandewyngaerde |
| | |
| Executive Board | Peter Gille, Director |
| | |
| Auditors | KPMG P/S |
| | Dampfærgevej 28, 2100 Copenhagen Ø |

# Management's review

## Financial highlights

| DKK | 2020/21<br>15 months |
|---|---:|
| **Key figures** | |
| Revenue | 166,663,708 |
| Gross profit | 147,978,577 |
| Operating profit/loss | 47,910,797 |
| Net financials | -702,620 |
| **Profit for the year** | **68,861,374** |
| | |
| Total assets | 144,160,046 |
| Investments in property, plant and equipment | 101,470 |
| **Equity** | **80,609,398** |
| | |
| **Financial ratios** | |
| Operating margin | 47.5% |
| Gross margin | 88.8% |
| Return on assets | 33.2% |
| Current ratio | 161.6% |
| Equity ratio | 55.9% |
| Return on equity | 85.4% |
| | |
| **Average number of full-time employees** | **58** |

For terms and definitions, please see the accounting policies.

## Management's review

### Business review

Dedalus Healthcare Denmark ApS operates in the Healthcare Sector through the development and support of software used by medical professionals in patient treatment solutions both at the level of regional health care boards, hospitals and by general practitioners. The company works with a broad range of clients in the sector in the delivery of its software products, and as part of the Dedalus Group the company collaborates with its international sister companies, especially within the Nordic region. Dedalus Healthcare Denmark ApS was legally created in October 2020, however, it was inactive until April 2021, as the company was formed through the wider acquisition by the Dedalus Group of the IT Software Healthcare business from DXC Technology Company (referred to henceforth as the Helsinki Acquisition). The acquisition was completed on 31 March 2021 and within Denmark the execution of the acquisition was completed through an asset transfer from DXC to Dedalus Healthcare Denmark ApS.

### Unusual matters having affected the financial statements

In terms of the company's financial activities the asset transfer from DXC to Dedalus as a result of the Helsinki Acquisition occurred on the 31 March 2021 meaning the economic activity of the company within the P+L account is based upon the nine-month period from April 1 2021 – 31 December 2021. The opening balance sheet that transferred from DXC to Dedalus Healthcare Denmark ApS was comprised of current assets that totaled 46.789.294 DKK which relate to Commercial Trade Receivables and Cash. The Net Asset Position of the company post acquisition as at the 31 March 2021 was 34,576,480 DKK.

It is important to highlight that as a consequence of the acquisition one unusual transaction occurred at an accounting level relating to a balance of negative goodwill that was passed from DXC to Dedalus as part of the asset transfer. Due to the difference in accounting principles between DXC and Dedalus, it is necessary for Dedalus Healthcare Denmark ApS under Danish GAAP (Generally Accepted Accounting Principles) to extinguish this negative goodwill by releasing the full amount to the P+L account. See supporting notes to the financial statements for further information.

On the 15 April 2021 the acquisition of Amphi Systems A/S was completed, and this entity is now a wholly owned subsidiary of Dedalus Healthcare Denmark ApS. Amphi Systems A/S operates also in the Healthcare Sector through the development, production, and sale of software solutions. Its position in the Danish market through the products and capabilities that the company offers, is of strategic benefit to Dedalus Healthcare Denmark ApS in its realization of its future growth objectives. Furthermore, the acquisition was aligned with the strategic plan of the wider Dedalus Group.

In relation to the Covid-19 Public Health Pandemic that occurred across 2021, the company was impacted in two principal ways. Firstly, the macro impact of the pandemic was that healthcare industry had to respond reactively to the challenges the pandemic posed to public health. Therefore, many of the company's clients in the Healthcare sector modified their priorities in terms of spending and procurement, which obviously had a consequent impact on the company's business activities.

On a more granular level the company had to respond to the challenges the pandemic caused to its employees and ways of working. For a large part of the year many of the company's employees worked remotely without this causing great disruption to the companies' activities due to the nature of the business. During 2021 the company experienced a phased return of employees to the office and now most employees operate on a hybrid working basis. New rules were implemented in light of Danish Public Health guidance to ensure the office environment was safe and compliant for the return of multiple employees to the workspace. In terms of the financial impact of Covid-19 for the company and preparing the office for the return of employees, there was no material or significant costs incurred by the company.

### Financial review

In light of the acquisition that occurred in March 2021 this financial period has been one of transition for the business as it works through the process of being integrated into the Dedalus Group. Given that many aspects of the business were already established under DXC such as: the relationships with existing customers; the product portfolio was already developed; and the business presence in various Danish regions was already established, this financial period has indeed been transitionary as the company embraces its new identity under Dedalus.

## Management's review

From a financial perspective the company closed the period with Revenue of 166.663.708 DKK, EBIT of 79,213,994 DKK and an accounting profit of 68,861,374 DKK, which as aforementioned is based upon nine months of economic activity from 1 April 2021. This revenue cannot be compared meaningfully to the prior period because within DXC the business was part of a Danish Subsidiary Company that was a larger business operating in other sectors aside from the Healthcare industry. However, within the Dedalus Group the Helsinki acquisition decision was based on a future business plan for the stand-alone entities post acquisition, and with respects to Dedalus Denmark ApS, the business is tracking positively in line with this budget for 2021.

Moving forward for the business in 2022, the worst days of the pandemic appear to have passed and as such the business is poised to positively develop its presence within the Danish market and the wider Nordic region in 2022. Its position has been strengthened though the acquisition of the Amphi Systems A/S subsidiary and now the business has the possibility of further developing the company's product portfolio through the leveraging of other products sold within different territories by the Dedalus Group.

Furthermore, there is also a clear path for the company to realise cost savings and operational efficiencies over the course of the next financial period as it transitions away from the support infrastructure of DXC (which it is still using currently through Transition Service Agreements which were signed between the Dedalus Group and DXC when the Helsinki Acquisition was completed). In the arc of the coming year a significant transition will also be made to a new Enterprise Resource Planning (ERP) System that is more suitable to the business rather than the current system inherited from the DXC group. As the Danish entity is one of over 50 entities purchased by Dedalus from DXC as part of the Helsinki acquisition, the next year will also offer the chance for further efficiencies to be realized as the legal entity becomes further integrated into the Dedalus Group and starts to utilize all the apparatus of the Dedalus Group at its disposal.

### Financial risks and use of financial instruments

Reference has been made to the impact of Covid-19 upon the healthcare system and this remains the biggest challenge the Group faces over the coming years as the spending priorities of clients changes and as such the business needs to be prepared to meet such opportunities and challenges. Also a key challenge that the whole Dedalus Group needs to affront is the transition process away from the support infrastructure of DXC as the TSA Agreements expire.

#### *Currency risk*

It is correct to highlight the functional currency of the business is Euro, therefore, little risk is posed in terms of translation variances given the relationship between the Korona and Euro. Also, at present there are not significant intercompany transactions in different currencies that could lead to substantial currency differences.

#### *Interest risk*

The business does not have external debt with 3rd party financial institutions that could be impacted by interest rate variations.

### Research and development activities

As is customary within all Software businesses, irrespective of the sector, expenditure relating to Research and Development remains a key cost the company incurs and capitalizes to ensure the product portfolio remains up to date and responsive to the ever-evolving needs of customers in their patient treatment solutions. The bulk of the cost relating to Research and Development is derived from the hours spent by specialist company employees in the completion of activities to internally develop software. Moving forward into the next financial year the company will continue to incur such costs and if they meet the relevant accounting criteria thresholds they will be capitalized and then reviewed on a continual basis to ensure that they are concurrent and relevant to the product portfolio of the company.

### Events after the balance sheet date

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

## Management's review

### Outlook

The coming years focus will be on transitioning the business towards new products as some of the older products will start to be decommissioned by customers. The enabler of this transition will be cross selling of products that has been made available after the carve out from DXC into Dedalus. Specific areas of attention will be the municipality care, diagnostics, prehospital and data & workflow integration. Furthermore, we will be looking at broadening out the Amphi products globally with initial focus on Australia/New Zealand, Spain, Italy and Netherlands/Belgium.

We expect 2022 proft in the range of DKK 54-62 million.

# Financial statements for the period 8 October 2020 - 31 December 2021

## Income statement

| Note | DKK | 2020/21 15 months |
|---|---|---|
| | **Revenue** | 166,663,708 |
| 2 | Other operating income | 34,576,480 |
| | Cost of Sales | -9,504,260 |
| | Other external expenses | -43,757,351 |
| | **Gross profit** | 147,978,577 |
| 3 | Staff costs | -54,666,670 |
| 4 | Amortisation/depreciation of intangible assets and property, plant and equipment | -10,824,630 |
| | Other operating expenses | -3,273,283 |
| | **Profit before net financials** | 79,213,994 |
| 5 | Financial income | 257,608 |
| 6 | Financial expenses | -960,228 |
| | **Profit before tax** | 78,511,374 |
| 7 | Tax for the year | -9,650,000 |
| | **Profit for the year** | 68,861,374 |

## Financial statements for the period 8 October 2020 - 31 December 2021

### Balance sheet

| Note | DKK | 2020/21 |
|---|---|---|
| | **ASSETS** | |
| | **Fixed assets** | |
| 8 | **Intangible assets** | |
| | Development costs | 13,432,983 |
| | Software | 17,681 |
| | Concessions and licenses | 0 |
| | | 13,450,664 |
| 9 | **Property, plant and equipment** | |
| | Plant and machinery | 1,717,095 |
| | | 1,717,095 |
| 10 | **Investments** | |
| | Investments in group enterprises | 42,669,598 |
| | | 42,669,598 |
| | **Total fixed assets** | 57,837,357 |
| | **Non-fixed assets** | |
| | **Receivables** | |
| | Trade receivables | 48,782,649 |
| | Receivables from group enterprises | 7,541,938 |
| | Other receivables | 4,201,079 |
| | | 60,525,666 |
| | **Cash** | 25,797,023 |
| | **Total non-fixed assets** | 86,322,689 |
| | **TOTAL ASSETS** | 144,160,046 |

## Financial statements for the period 8 October 2020 - 31 December 2021

### Balance sheet

| Note | DKK | 2020/21 |
|---|---|---|
| | **EQUITY AND LIABILITIES** | |
| | **Equity** | |
| 11 | Share capital | 52,000 |
| | Retained earnings | 80,557,398 |
| | **Total equity** | 80,609,398 |
| | **Provisions** | |
| | Other provisions | 10,128,000 |
| 12 | **Total provisions** | 10,128,000 |
| | **Liabilities other than provisions** | |
| | **Current liabilities other than provisions** | |
| | Trade payables | 16,584,802 |
| | Payables to group enterprises | 20,854,204 |
| | Corporation tax payable | 2,720,100 |
| | Other payables | 13,263,542 |
| | | 53,422,648 |
| | **Total liabilities other than provisions** | 53,422,648 |
| | **TOTAL EQUITY AND LIABILITIES** | 144,160,046 |

1 Accounting policies
13 Contractual obligations and contingencies, etc.
14 Collateral
15 Related parties
16 Appropriation of profit

## Financial statements for the period 8 October 2020 - 31 December 2021

### Statement of changes in equity

| Note | DKK | Share capital | Retained earnings | Total |
|---|---|---|---|---|
| | Cash payments concerning formation of enterprise | 40,000 | 0 | 40,000 |
| | Capital increase | 12,000 | 11,696,024 | 11,708,024 |
| 16 | Transfer, see "Appropriation of profit" | 0 | 68,861,374 | 68,861,374 |
| | **Equity at 31 December 2021** | 52,000 | 80,557,398 | 80,609,398 |

# Financial statements for the period 8 October 2020 - 31 December 2021

## Notes to the financial statements

### 1 Accounting policies

The annual report of Dedalus Healthcare Denmark ApS for 2020/21 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

This is the first financial year for the company, why there is no comparison figures.

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Dedalus S.p.A.

#### Reporting currency

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

#### External business combinations

Recently acquired entities are recognised in the financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the date when the Company actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the Company obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the consolidated financial statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The consideration paid for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

# Financial statements for the period 8 October 2020 - 31 December 2021

## Notes to the financial statements

### 1 Accounting policies (continued)

Where, at the date of acquisition, the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration is associated with uncertainty, initial recognition will take place on the basis of provisional amounts. If it turns out subsequently that the identification or measurement of the consideration transferred, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Hereafter, any adjustments are recognised as misstatements.

Gains or losses from disposal of subsidiaries which result in loss of control are calculated as the difference between, on the one hand, the fair value of the selling price less selling expenses and, on the other hand, the carrying amount of net assets.

#### 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 IFRS 15 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

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.

#### Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains and losses on the sale of fixed assets.

#### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

#### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

#### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

# Financial statements for the period 8 October 2020 - 31 December 2021

## Notes to the financial statements

### 1 Accounting policies (continued)

#### Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

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

| | |
|---|---|
| Development costs | 5 years |
| Software | 5 years |
| Concessions and licenses | 5 years |
| Plant and machinery | 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.

#### 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

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

# Financial statements for the period 8 October 2020 - 31 December 2021

## Notes to the financial statements

1 Accounting policies (continued)

### Balance sheet

#### Intangible assets

Development costs, software, concessions and licenses is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Development costs, software, concessions and licenses is amortised on a straight-line basis over the amortisation period, which is 5 years.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

#### 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.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

#### 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 enterprises

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

#### Impairment of fixed assets

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

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

## Financial statements for the period 8 October 2020 - 31 December 2021

### Notes to the financial statements

1 **Accounting policies (continued)**

**Receivables**

Receivables are measured at amortised cost.

The Company has chosen IFRS 9 as interpretation for impairment of financial receivables.

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.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

**Cash**

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

**Provisions**

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

**Income taxes and deferred 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 on office premises 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.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

## Financial statements for the period 8 October 2020 - 31 December 2021

### Notes to the financial statements

### 1 Accounting policies (continued)

#### Other payables

Other payables are measured at net realisable value.

#### Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

| | |
|---|---|
| Operating profit/loss | Profit/loss before financial items adjusted for other operating income and other operating expenses |
| Operating margin | $\frac{\text{Operating profit (EBIT) x 100}}{\text{Revenue}}$ |
| Gross margin | $\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$ |
| Return on assets | $\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$ |
| Current ratio | $\frac{\text{Current assets x 100}}{\text{Current liabilities}}$ |
| Equity ratio | $\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$ |
| Return on equity | $\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$ |

## Financial statements for the period 8 October 2020 - 31 December 2021

### Notes to the financial statements

2 **Other operating income**

Other operating income, DKK 34,564,480 includes gains on badwill in relation to the purchase of assets.

| | DKK | 2020/21 15 months |
|---|---|---|
| 3 | **Staff costs** | |
| | Wages/salaries | 50,279,329 |
| | Other social security costs | 484,649 |
| | Other staff costs | 3,902,692 |
| | | 54,666,670 |
| | Average number of full-time employees | 58 |

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

| | | |
|---|---|---|
| 4 | **Amortisation/depreciation of intangible assets and property, plant and equipment** | |
| | Amortisation of intangible assets | 10,136,945 |
| | Depreciation of property, plant and equipment | 687,685 |
| | | 10,824,630 |
| 5 | **Financial income** | |
| | Interest receivable, group entities | 59,125 |
| | Exchange adjustments | 6,277 |
| | Exchange gain | 192,206 |
| | | 257,608 |
| 6 | **Financial expenses** | |
| | Interest expenses, group entities | 426,374 |
| | Other interest expenses | 167,166 |
| | Exchange adjustments | 170,215 |
| | Exchange losses | 196,473 |
| | | 960,228 |
| 7 | **Tax for the year** | |
| | Estimated tax charge for the year | 9,650,000 |
| | | 9,650,000 |

## Financial statements for the period 8 October 2020 - 31 December 2021

### Notes to the financial statements

### 8 Intangible assets

| DKK | Development costs | Software | Concessions and licenses | Total |
|---|---|---|---|---|
| Cost at 8 October 2020 | 0 | 0 | 0 | 0 |
| Additions through business combinations | 25,250,663 | 3,807,022 | 620,563 | 29,678,248 |
| Cost at 31 December 2021 | 25,250,663 | 3,807,022 | 620,563 | 29,678,248 |
| Impairment losses and amortisation at 8 October 2020 | 0 | 0 | 0 | 0 |
| Amortisation of additions through business combinations | 1,861,308 | 3,608,768 | 620,563 | 6,090,639 |
| Amortisation for the year | 9,956,372 | 180,573 | 0 | 10,136,945 |
| Impairment losses and amortisation at 31 December 2021 | 11,817,680 | 3,789,341 | 620,563 | 16,227,584 |
| **Carrying amount at 31 December 2021** | 13,432,983 | 17,681 | 0 | 13,450,664 |

### 9 Property, plant and equipment

| DKK | Plant and machinery |
|---|---|
| Cost at 8 October 2020 | 0 |
| Additions on merger/corporate acquisition | 14,478,898 |
| Additions | 101,470 |
| Cost at 31 December 2021 | 14,580,368 |
| Impairment losses and depreciation at 8 October 2020 | 0 |
| Accumulated depreciation of additions through business combinations | 12,175,588 |
| Depreciation | 687,685 |
| Impairment losses and depreciation at 31 December 2021 | 12,863,273 |
| **Carrying amount at 31 December 2021** | 1,717,095 |

## Financial statements for the period 8 October 2020 - 31 December 2021

### Notes to the financial statements

**10 Investments**

| DKK | Investments in group enterprises |
|---|---|
| Cost at 8 October 2020 | 0 |
| Additions | 42,669,598 |
| Cost at 31 December 2021 | 42,669,598 |
| **Carrying amount at 31 December 2021** | 42,669,598 |

| Name | Domicile | Interest | Equity DKK | Profit/loss DKK |
|---|---|---|---|---|
| Amphi Systems A/S | Aalborg, Denmark | 100.00% | 2,964,397 | -163,533 |

| DKK | 2020/21 |
|---|---|
| **11 Share capital** | |
| Analysis of the share capital: | |
| 52,000 shares of DKK 1.00 nominal value each | 52,000 |
| | 52,000 |

Changes in the share capital in the past year:

| DKK | 2020/21 |
|---|---|
| Establishment | 40,000 |
| Capital increase | 12,000 |
| | 52,000 |

**12 Provisions**

Other provisions comprise provisions earn-out agreement, DKK 10,128 thousand.

**13 Contractual obligations and contingencies, etc.**

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes for income year 2021 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 2 April 2021.

**Other financial obligations**

Other rent liabilities:

| | |
|---|---|
| Rent liabilities | 10,647,468 |

Rent liabilities include a rent obligation totalling DKK 10,647,468 in interminable rent agreements with remaining contract terms of 3 years and 3 months.

**14 Collateral**

The Company has not provided any security or other collateral in assets at 31 December 2021.

# Financial statements for the period 8 October 2020 - 31 December 2021

## Notes to the financial statements

### 15 Related parties

Dedalus Healthcare Denmark ApS' related parties comprise the following:

**Parties exercising control**

| Related party | Domicile | Basis for control |
| --- | --- | --- |
| DH Target UK Ltd | Royal Pavilion 1, Wellesley Road, Aldershot GU11 1PZ, United Kingdom | Parent Company |
| Dedalus Healthcare Systems Group SpA | Via di Collodi 6/C, 50141, Firenze FI, Italy | Ultimate Parent Company |

**Information about consolidated financial statements**

| Parent | Domicile | Requisitioning of the parent company's consolidated financial statements |
| --- | --- | --- |
| Dedalus Healthcate Systems Group | Piazza Santissima Trinità, 6, 20154 Milano MI, Italy | Consolidated financial statement can be requisitioned at Piazza Santissima Trinità, 6, 20154 Milano MI, Italy |

**Related party transactions**

Dedalus Healthcare Denmark ApS was engaged in the below related party transactions:

| DKK | 2020/21 |
| --- | --- |
| Other Operating Services From Parent Companies | 5,154,950 |
| Other Operating Services From Group Companies | 3,488,990 |
| Purchasing of technical/project services from group companies | 14,661,542 |

Payables and receivables to group enterprises are disclosed in the balance sheet, and expensed and received interest is disclosed in note 5 and 6.

| DKK | 2020/21<br>15 months |
| --- | --- |
| **16 Appropriation of profit** | |
| **Recommended appropriation of profit** | |
| Retained earnings | 68,861,374 |
| | 68,861,374 |