Dedalus Healthcare Denmark ApS

Dusager 25, 8200 Aarhus N

CVR no. 41 74 49 01

Annual report 2022

Approved at the Company's annual general meeting on 21 July 2023

Chair of the meeting:

....

Jakob Uffelmann

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 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 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.

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

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

Aarhus, 21 July 2023
Executive Board:

Jakob Uffelmann
Director

Board of Directors:

Jakob Uffelmann	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 ApS for the financial year 1 January – 31 December 2022 comprising 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 Company's assets, liabilities and financial position 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.

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.

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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control, that 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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.

Independent auditor's report

- 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.

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.

Aarhus, 21 July 2023
KPMG P/S
CVR no. 25 57 81 98

Michael E. K. 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	1 January - 31 December
Board of Directors	Jakob Uffelmann Andrea Ciceri Hans Vandewyngaerde
Executive Board	Jakob Uffelmann, Director
Auditors	KPMG P/S Frederiks Plads 42, 7, 8000 Aarhus C

Management's review

Financial highlights

DKK	2022 12 months	2020/21 15 months
Key figures		
Revenue	207,027,321	166,663,708
Gross profit	75,970,810	93,325,743
Operating profit/loss	-11,887,738	-22,009,189
Net financials	2,948,700	-702,620
Profit/loss for the year	-10,380,720	-35,635,092
Total assets	213,558,087	148,140,822
Investments in property, plant and equipment	435,161	101,470
Equity	308,692	10,689,412
Financial ratios		
Operating margin	-5.7%	-15.2%
Gross margin	36.7%	56.0%
Return on assets	-6.6%	-14.9%
Current ratio	81.1%	70.9%
Equity ratio	0.1%	7.2%
Return on equity	-188.8%	-333.4%
Average number of full-time employees	92	58

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

Ordinary operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit/loss (EBIT) x 100}}{\text{Revenue}}$
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	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

Management's review

Business review

DH Denmark operates in the Healthcare and Social Care Sector through the development and support of software used by medical and social care professionals in patient treatment solutions both at the level of regional health care boards, hospitals, general practitioners and by municipalities. The company as part of the Dedalus Group collaborates with its international affiliate companies, especially within the Nordic region to deliver its products across the region.

Unusual matters having affected the financial statements

As noted in the PY Financial Statements the company was purchased as part of a wider acquisition on 31 March 2021 in which Dedalus purchased over 50 legal entities from DXC for a deal (referred henceforth as the 'Helsinki Acquisition') worth over $500 million.

As a consequence last year was a particularly challenging year for the Dedalus Group in terms of the integration activities that were performed to ensure the companies in the acquired perimeter received the correct level of recharges within the group. Based upon this logic there were some recharges from the UK parent company (Dedalus UK Bidco Ltd.) that were invoiced in FY 2022 but related to the period 1st April 2021 to 31st December 2021 and should have been accounted for in the prior year financial statements, so the company has taken the opportunity to make this correction in these Financial Statements by updating the opening balances in the comparative financial data from the Prior Year.

A further opening balance sheet adjustment was made within equity to account for the transfer of a license from the US entity that then had to be impaired from its cost value to its fair value and then finally there was an adjustment to reclassify the release of Negative Goodwill in the Prior Year Profit and Loss Account to a separate equity account description which better reflects the true nature of this transaction as an equity contribution.

Financial review

2022 was a positive year in terms of developing new business opportunities and serving existing customers.

From a financial perspective the company closed the period with revenue of DKK 207,027,321 which is an increase of 24,22% versus the prior year showing that at a commercial level the company had improved revenue versus the prior year. Management is aware however of the fact that 2022 closed with an accounting loss of DKK 10,380,720. These financial results are in managements view not representative of the ongoing financial health of the company due to the fact the losses were generated by a series of non-recurring one-off items that included two rounds of workforce restructuring and also the company incurred high levels of intercompany cost from the parent company because in 2022 the Dedalus Group were still paying the Transition Service Agreements to DXC Inc. (the previous owner of the business from which it was purchased on 31 March 2021).

Moving forward in 2023, the business is poised to positively develop its presence within the Danish market and the wider Nordic region in 2023. As the business continues to grow the Dedalus brand is gaining rapid traction in Denmark and going forward the company aims to make a significant impact in the market through the leveraging of the wider group portfolio of products in the region. At present the company is engaging with a wide range of public and private customers (both new and existing) and is also involved with a range of tenders that will hopefully lead to new business.

As mentioned in the prior year Financial Statements one of the key challenges facing the company and the group in general was the transition from using the Shared Service Centers of DXC from whom the company was purchased on the 31 March 2021. The Transition Service Agreements we signed with DXC ended in March 2023, however, the transition date for DH Denmark and the other companies in the Nordics to move to the new Dedalus ERP system (Microsoft Dynamics 365) and also transition of the support functions to the Shared Service Centre of the Dedalus Group (located in Milan, Italy) occurred on the 31st October 2022. The migration and transition which occurred in 2022 was a success and the company is now in a phase of trying to realize operational efficiencies over the course of the next financial period as it transitions away from the support infrastructure of DXC.

Management's review

Financial risks and use of financial instruments

In terms of risks the following two items can be identified:

Currency risk

The functional currency of the group is Euro, therefore, little risk is posed in terms of translation variances given the relationship between Danish Korona and Euro.

Interest risk

The business does not have external debt with 3rd party financial institutions that could be impacted by interest rate variations. All Financial Receivables are within the group through loans provided to the parent company and the subsidiary company.

Research and development activities

As noted last year expenditure relating to Research and Development remains a 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 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.

Outlook

The coming years focus will be on transitioning the business towards new products as some of the older products will start to move towards the end of their useful life. 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.

For the upcoming financial year the company is budgeting that revenues should remain relatively stable because some contracts which were due to finish in early 2023 have been extended to the second half of the period. In terms of costs the entity will no longer have the cost of the DXC TSA's, however, there will be a new intercompany cost related to the replacement of these services.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2022 12 months	2020/21 15 months
	Revenue	207,027,321	166,663,708
	Cost of Sales	-21,337,032	-9,504,260
	Other external expenses	-109,719,479	-63,833,705
	Gross profit	75,970,810	93,325,743
4	Staff costs	-78,995,712	-54,666,670
5	Amortisation/depreciation of intangible assets and property, plant and equipment	-8,862,836	-60,668,262
	Other operating expenses	0	-3,273,283
	Profit/loss before net financials	-11,887,738	-25,282,472
6	Financial income	5,309,634	257,608
7	Financial expenses	-2,360,934	-960,228
	Profit/loss before tax	-8,939,038	-25,985,092
8	Tax for the year	-1,441,682	-9,650,000
	Profit/loss for the year	-10,380,720	-35,635,092

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2022	2020/21
	ASSETS		
	Fixed assets		
9	Intangible assets		
	Development costs	5,285,313	13,432,983
	Software	12,154	17,681
	Concessions and licenses	0	0
		5,297,467	13,450,664
10	Property, plant and equipment		
	Plant and machinery	1,442,617	1,717,095
		1,442,617	1,717,095
11	Investments		
	Investments in group enterprises	42,669,598	42,669,598
		42,669,598	42,669,598
	Total fixed assets	49,409,682	57,837,357
	Non-fixed assets		
	Receivables		
	Trade receivables	40,907,771	48,782,649
	Receivables from group enterprises	89,559,106	7,541,938
	Other receivables	18,511,601	8,181,855
		148,978,478	64,506,442
	Cash	15,169,927	25,797,023
	Total non-fixed assets	164,148,405	90,303,465
	TOTAL ASSETS	213,558,087	148,140,822

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2022	2020/21
	EQUITY AND LIABILITIES		
	Equity		
12	Share capital	52,000	52,000
	Retained earnings	256,692	10,637,412
	Total equity	308,692	10,689,412
	Provisions		
	Other provisions	10,818,589	10,128,000
13	Total provisions	10,818,589	10,128,000
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	18,603,806	16,584,802
	Payables to group enterprises	154,061,178	94,754,966
	Corporation tax payable	4,161,782	2,720,100
	Other payables	19,937,376	13,263,542
14	Deferred income	5,666,664	0
		202,430,806	127,323,410
	Total liabilities other than provisions	202,430,806	127,323,410
	TOTAL EQUITY AND LIABILITIES	213,558,087	148,140,822

1 Accounting policies
2 Events after the balance sheet date
3 Special items
15 Contractual obligations and contingencies, etc.
16 Collateral
17 Related parties
18 Appropriation of profit/loss

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK	Share capital	Retained earnings	Total
	Equity at 8 October 2020	0	0	0
	Adjustment of equity through corrections of errors	0	34,576,480	34,576,480
	Capital increase	12,000	11,696,024	11,708,024
18	Transfer, see "Appropriation of profit/loss"	0	-35,635,092	-35,635,092
	Cash payments concerning formation of enterprise	40,000	0	40,000
	Equity at 1 January 2022	52,000	10,637,412	10,689,412
	Adjusted equity at 1 January 2022	52,000	10,637,412	10,689,412
18	Transfer, see "Appropriation of profit/loss"	0	-10,380,720	-10,380,720
	Equity at 31 December 2022	52,000	256,692	308,692

Reference is also made to the accounting policies regarding the material misstatements.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Dedalus Healthcare Denmark ApS for 2022 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.

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

Material misstatements

In relation to the prior year Financial Statements a number of restatements have been made which impacts the 2021 comparative figures .The total negative impact if the Income Statement before tax is DKK 104,496,466. Total impact on the assets is DKK 3,980,774, on the payables to group enterprises is DKK 73,900,762, and on equity is DKK 69,919,986. To understand the reason and impact of the restatements made please find explanations below:

Intercompany Recharges (DKK 20,076,354):
During FY 2022 Dedalus Denmark was charged intercompany costs by a parent company that related to the Financial Period FY2021. The definitive IC charges were notified and then invoiced to Dedalus Denmark ApS after the date of closing the 2021 Financial Statements. The adjustment presented is to correctly recognize the portion of these intercompany costs that belongs to the FY 2021.

Equity Reallocation (DKK 34,576,480):
During the FY 2021 the company recognized other income that was driven by the release of a balance of negative goodwill, that was received on the opening Balance Sheet of the entity from DXC Inc., when it was purchased on the 1 April 2021. The amount actually represents the equity contribution made in the moment DXC transferred the designated assets of the Healthcare Business (that were to be sold to Dedalus as part of the Helsinki Transaction) from other DXC entities into Dedalus Healthcare ApS. An adjustment was made accordingly in order to present Equity in the correct manner.

Broadcom (DKK 3,980,776):
In the opening Balance Sheet as at 31 March 2021 received from DXC there was a license on the balance sheet of the Dedalus Legal Entity in the U.S. ('DH NA LLC'), which is used exclusively by Dedalus Denmark ApS in the delivery of the Notus Product.
The license was renewed with Broadcom Inc. for a further 3 years before the closing of the Helsinki transaction (the sale of the Healthcare Information Business from DXC Inc. to the Dedalus Group).
During FY 2022 a restatement was made to the FY 2021 Financial Statements of Dedalus Denmark ApS to recognize the following corrections:

- The transfer of the on-premises Broadcom license within the group from DH NA LLC to Dedalus Denmark ApS as at 31 March 2021 at the cost of DKK 53,824,408, so that it is recorded on the Balance Sheet of the legal entity that uses the license;

- An impairment of DKK 47,454,828 was registered based on the expert assessment to the recovery value of DKK 6,369,580.

- The monthly release of the license from April 2021 to December 2021 was registered based on the estimated useful life with a value of DKK 2,388,804.

Balance Sheet Reclass (DKK 3,980,774):
There was also a reclassification applied to correct the FY 2021 Financial Statements with regards to amounts owed to Group Companies. Note that this correction was a reclassification between assets and liabilities and has no impact on the equity of the company.

Reference is also made to the comments in the Management’s Review.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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 group entities 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

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
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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Other operating expenses

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

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 group entities. Group entities 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.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Leases

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

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

Investments in group enterprises

Investments in group entities and associates are measured at cost. Dividends received that exceed the accumulated earnings in the group entity 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 group entities 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.

Receivables

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

Receivables are measured at amortised cost.

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

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 group entities' income taxes vis à vis the tax authorities as the group entities pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Other payables

Other payables are measured at net realisable value.

Deferred income

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

Special items

Special items for the year is recognised as staff cost related to dismissal employees.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Events after the balance sheet date

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

3 Special items

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

DKK	2022 12 months	2020/21 15 months
Expenses		
Dismissal cost	-12,827,667	0
	-12,827,667	0
Special items are recognised in the below items of the financial statements		
Staff cost	-12,827,667	0
Net profit/loss on special items	-12,827,667	0

4 Staff costs

Wages/salaries	72,120,270	50,279,329
Pensions	5,581,598	0
Other social security costs	337,386	484,649
Other staff costs	956,458	3,902,692
	78,995,712	54,666,670
Average number of full-time employees	92	58

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

5 Amortisation/depreciation of intangible assets and property, plant and equipment

Amortisation of intangible assets	8,153,197	59,980,577
Depreciation of property, plant and equipment	709,639	687,685
	8,862,836	60,668,262

6 Financial income

Interest receivable, group entities	2,617,917	59,125
Exchange adjustments	117,651	6,277
Exchange gain	2,494,192	192,206
Other financial income	79,874	0
	5,309,634	257,608

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK	2022 12 months	2020/21 15 months
7	Financial expenses		
	Interest expenses, group entities	0	426,374
	Other interest expenses	170,763	167,166
	Exchange adjustments	82,770	170,215
	Exchange losses	2,107,401	196,473
		2,360,934	960,228
8	Tax for the year		
	Estimated tax charge for the year	1,441,682	9,650,000
		1,441,682	9,650,000

9 Intangible assets

DKK	Development costs	Software	Concessions and licenses	Total
Cost at 1 January 2022	25,250,663	3,807,022	620,563	29,678,248
Cost at 31 December 2022	25,250,663	3,807,022	620,563	29,678,248
Impairment losses and amortisation at 1 January 2022	11,817,680	3,789,341	620,563	16,227,584
Amortisation for the year	8,147,670	5,527	0	8,153,197
Impairment losses and amortisation at 31 December 2022	19,965,350	3,794,868	620,563	24,380,781
Carrying amount at 31 December 2022	5,285,313	12,154	0	5,297,467

Expenditure relating to Research and Development remains a 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.

10 Property, plant and equipment

DKK	Plant and machinery
Cost at 1 January 2022	14,580,368
Additions	435,161
Cost at 31 December 2022	15,015,529
Impairment losses and depreciation at 1 January 2022	12,863,273
Depreciation	709,639
Impairment losses and depreciation at 31 December 2022	13,572,912
Carrying amount at 31 December 2022	1,442,617

Financial statements 1 January - 31 December

Notes to the financial statements

11 Investments

DKK	Investments in group enterprises
Cost at 1 January 2022	42,669,598
Cost at 31 December 2022	42,669,598
Carrying amount at 31 December 2022	42,669,598

Name	Domicile	Interest	Equity DKK	Profit/loss DKK
Amphi Systems A/S	Aalborg, Denmark	100.00%	1,626,154	-1,338,243

The company has considered the carrying value of the investment in the subsidiary company to be appropriate because Amphi Systems A/S is almost exclusively performing multiple services for Dedalus Denmark in the delivery of products to its clients. The company will become a key contributor to new projects that are being budgeted in the coming years which would then lead the company to a positive result.

DKK	2022	2020/21
12 Share capital		
Analysis of the share capital:		
52,000 shares of DKK 1.00 nominal value each	52,000	52,000
	52,000	52,000

Analysis of changes in the share capital over the past 2 years:

DKK	2022	2020/21
Opening balance	52,000	40,000
Capital increase	0	12,000
	52,000	52,000

13 Provisions

Other provisions comprise provisions earn-out agreement, DKK 10,026,589.
Remaining provisions relate to other provisions.

14 Deferred income

Deferred income, DKK 5,666,664 (2021: DKK 0), consists of income will not be recognised until the subsequent financial year.

15 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.

Financial statements 1 January - 31 December

Notes to the financial statements

15 Contractual obligations and contingencies, etc. (continued)

Other financial obligations

Other rent liabilities:

DKK	2022	2020/21
Rent liabilities	7,371,324	10,647,468

Rent liabilities include a rent obligation totalling DKK 7,371,324 in interminable rent agreements with remaining contract terms of 2 years and 3 months.

The company has Tax Assets of DKK 5,941,404 that it has not recognised in the Current Year Financial Statements for reasons of prudency and also in order to ensure consistency in the approach taken at a group consolidated leve

16 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2022.

17 Related parties

Dedalus Healthcare Denmark ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
DH Target UK Ltd	Suite 2, Riverside Studio, 2 Embankment, Sovereign Street, Leeds LS1 4BA, 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 S.p.A.	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	2022	2020/21
Other Operating Services From Parent Companies	0	5,154,950
Other Operating Services From Group Companies	2,606,124	3,488,990
Purchasing of technical/project services from group companies	80,511,620	34,737,896

Payables and receivables to group enterprises are disclosed in the balance sheet, and expensed and received interest is disclosed in note 6 and 7.

Financial statements 1 January - 31 December

Notes to the financial statements

18	Appropriation of profit/loss		
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-10,380,720	-35,635,092
		-10,380,720	-35,635,092