

Ferrosan Medical Devices MidCo ApS

Sydmarken 5
2860 Søborg
CVR No. 43531042

Annual report 2023

The Annual General Meeting adopted the annual report on 19.04.2024

Hans Henrik Pauk Pedersen
Chair of the General Meeting

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Entity details

Entity

Ferrosan Medical Devices MidCo ApS
Sydmarken 5
2860 Søborg

Business Registration No.: 43531042
Registered office: Gladsaxe
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Peter Henrik Kürstein-Jensen, Chair
Kim Gulstad, Deputy Chair
Staffan Percy Ternström
Anja Bach Eriksson
Mia Bielecki
Arne Due-Hansen
Allan Bjørn Rasmussen

Executive Board

Rasmus Hother le Fevre, CEO
Hans Henrik Pauk Pedersen, CFO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Ferrosan Medical Devices MidCo ApS for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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

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

Søborg, 20.03.2024

Executive Board

Rasmus Hother le Fevre
CEO

Hans Henrik Pauk Pedersen
CFO

Board of Directors

Peter Henrik Kürstein-Jensen
Chair

Kim Gulstad
Deputy Chair

Staffan Percy Ternström

Anja Bach Eriksson

Mia Bielecki

Arne Due-Hansen

Allan Bjørn Rasmussen

Independent auditor's report

To the shareholders of Ferrosan Medical Devices MidCo ApS

Opinion

We have audited the financial statements of Ferrosan Medical Devices MidCo ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

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

Copenhagen, 20.03.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Nikolaj Thomsen

State Authorised Public Accountant

Identification No (MNE) mne33276

Victor Fortmann Storm

State Authorised Public Accountant

Identification No (MNE) mne50626

Management commentary

Primary activities

Ferrosan Medical Devices MidCo ApS is a part of the Ferrosan Medical Devices HoldCo Group. The Entity's primary activities is to own shares and related activities.

Description of material changes in activities and finances

The result for 2023 is a loss of 12,752 t.DKK. The Entity's balance as of 31 December 2023 shows a total of 2,908,754 t.DKK and an equity of 2,894,100 t.DKK.

Events after the balance sheet date

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

Income statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Gross profit/loss		(249)	(63)
Staff costs	1	(14,124)	0
Operating profit/loss		(14,373)	(63)
Income from investments in group enterprises		500	0
Other financial income	2	1,374	0
Financial expenses from group enterprises		(11)	0
Other financial expenses		(4)	0
Profit/loss before tax		(12,514)	(63)
Tax on profit/loss for the year	3	(238)	14
Profit/loss for the year		(12,752)	(49)
Proposed distribution of profit and loss			
Retained earnings		(12,752)	(49)
Proposed distribution of profit and loss		(12,752)	(49)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Investments in group enterprises		2,884,920	2,884,920
Financial assets	4	2,884,920	2,884,920
Fixed assets		2,884,920	2,884,920
Receivables from group enterprises		23,815	21,941
Income tax receivable		0	14
Receivables		23,815	21,955
Cash		19	40
Current assets		23,834	21,995
Assets		2,908,754	2,906,915

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital		10,000	10,000
Retained earnings		2,884,100	2,896,852
Equity		2,894,100	2,906,852
Other provisions		14,124	0
Provisions		14,124	0
Trade payables		111	63
Payables to group enterprises		181	0
Income tax payable		238	0
Current liabilities other than provisions		530	63
Liabilities other than provisions		530	63
Equity and liabilities		2,908,754	2,906,915
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Statement of changes in equity for 2023

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	10,000	2,896,852	2,906,852
Profit/loss for the year	0	(12,752)	(12,752)
Equity end of year	10,000	2,884,100	2,894,100

Notes

1 Staff costs

	2023 DKK'000	2022 DKK'000
Wages and salaries	14,124	0
	14,124	0
Average number of full-time employees	0	0

	Remuneration of Management 2023 DKK'000
Total amount for management categories	5,045
	5,045

Special incentive programmes

The Group has established a warrant arrangement for various members of its management under which participants are granted warrants for no consideration. These warrants carry the right, upon due exercise, to be converted into one share of nominal DKK 1 in Ferrosan Medical Devices MidCo ApS. The arrangement was approved by the Board of Directors at the annual general meeting on 20 December 2022. All warrants were granted on 20 December 2022.

The warrants vest over a four-year period, accruing 25% each year in four tranches until 100% is fully vested. Vesting of the warrants ceases upon termination of employment. Outstanding warrants as of 31 December 2023 amounts to 558,908.

The Group reacquires the warrants as each tranche vests for cash consideration corresponding to the fair value of the instruments at the time of reacquisition. The arrangement is thus classified as cash-settled.

The exercise prices vary for each tranche varies and ranges from DKK 442.82 to DKK 589.55 for the first and fourth tranche, respectively.

There were no warrants granted in prior years, and none of the warrants has vested as at 31 December 2023. Accordingly, no warrants have been reacquired by the Group as at 31 December 2023.

Fair value measurement

The fair value of the arrangement is determined using the Black-Scholes model using the following inputs as at 31 December 2023 (average for the four tranches):

- Share price: DKK 290.68
- Exercise price: DKK 513.89
- Expected volatility: 27.93%
- Time to maturity: 3 - 6 years
- Expected dividends: 0.00%
- Risk-free interest rate: 2.08%

The expected price volatility is derived from an analysis of the historical volatility of peer-group public companies, along with factors specific to Ferrosan Medical Devices MidCo ApS. The share price is determined by using interpolation between data points from actual capital transactions that occurred on 30 April 2023.

The total expense recognized for the period arising from the warrant arrangement was DKK 14,124 thousand.

The carrying amount of the liability at the end of period was DKK 14,124 thousand (included in the line item staff costs).

2 Other financial income

	2023	2022
	DKK'000	DKK'000
Financial income from group enterprises	1,374	0
	1,374	0

3 Tax on profit/loss for the year

	2023	2022
	DKK'000	DKK'000
Current tax	238	(14)
Change in deferred tax	14	0
Adjustment concerning previous years	(14)	0
	238	(14)

4 Financial assets

	Investments in group enterprises DKK'000
Additions through business combinations etc.	2,884,920
Cost end of year	2,884,920
Carrying amount end of year	2,884,920

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK'000	Profit/loss DKK'000
Ferrosan Medical Devices Group A/S	Søborg	ApS	100.00	3,300,282	474,138

5 Fair value information

	Other provisions DKK'000
Fair value end of year	(14,124)
Unrealised fair value adjustments recognised in the income statement	(14,124)

6 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Ferrosan Medical Devices HoldCo ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

7 Assets charged and collateral

The Entity has provided security for the Group's total bank commitments to Danske Bank and Nykredit. The total commitment as pr. 31 December 2023 amounts to DKK 1,838,656 thousand.

8 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Ferrosan Medical Devices HoldCo ApS, 2860 Søborg, Denmark

Accounting policies

Reporting class

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

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

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. Moon MidCo ApS and its affiliated entities are included in the consolidated financial statement of Moon HoldCo ApS.

Recognition and measurement

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

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

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

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

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

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including administrative expenses.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

Balance sheet**Investments in group enterprises**

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise anticipated costs of issued share-based payment arrangements that are classified as cash-settled. In accounting for these cash-settled arrangements, a liability is recognized for the fair value of the transactions.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.