

DERMA PHARM A/S

Europavej 10, 8990 Fårup
CVR-nr. 89 45 31 19

Annual Report 2024

1 January - 31 December

The Annual Report has been presented and adopted at the
Company's Annual General Meeting on 25 February 2025

Michael Vinther

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Company Details

Company	DERMA PHARM A/S
	Europavej 10
	8990 Fårup
	CVR No.: 89 45 31 19
	Established: 22 February 1980
Board of Directors	Municipality: Randers
	Financial Year: 1 January - 31 December
	Kenneth Bo Codam
	Birger Kuntkes
	Michael Vinther
Executive Board	Christian Skovbo
	Brian Lund Møllerup, chairman
	Mikkel Egelund Jensen
	Peter Bøgh
Auditor	BDO Statsautoriseret revisionsaktieselskab
	Vestre Ringgade 28
	8000 Aarhus C

Management's Statement

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of DERMA PHARM A/S for the financial year 1 January - 31 December 2024.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2024 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2024.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Fårup, 25 February 2025

Executive Board

Mikkel Egelund Jensen

Peter Bogh

Board of Directors

Kenneth Bo Codam

Birger Kuntkes

Michael Vinther

Christian Skovbo

Brian Lund Møllerup

Independent Auditor's Report

To the Shareholder of DERMA PHARM A/S

Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of DERMA PHARM A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, cash flows, notes and a summary of significant accounting policies for both the Group and the Parent Company. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2024 and of the results of the Group and the Parent Company's operations and cash flows for the financial year 1 January - 31 December 2024 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 Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent 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 Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements.

Independent Auditor's Report

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent 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.
- 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 Group's and the Parent 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 Consolidated Financial Statements and the Parent Company 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 Group's and the Parent 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 Consolidated Financial Statements and the Parent Company 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Independent Auditor's Report

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Aarhus, 25 February 2025

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Klaus Tvede-Jensen
State Authorised Public Accountant
MNE no. mne23304

Financial Highlights of the Group

	2024 DKK '000	2023 DKK '000	2022 DKK '000	2021 DKK '000	2020 DKK '000
Income statement					
Gross profit/loss	105.386	80.595	71.576	70.657	76.155
Operating profit/loss of main activities	24.757	12.997	6.262	9.867	15.839
Financial income and expenses, net	-2.018	-1.900	-753	-348	-204
Profit/loss for the year	17.656	9.302	4.022	7.227	11.971
Balance sheet					
Total assets	146.697	128.230	122.539	97.384	85.785
Equity	56.273	44.118	39.529	39.607	40.480
Equity ex minority interests	58.166	45.745	39.529	39.607	40.480
Cash flows					
Investment in property, plant and equipment	-9.715	-4.500	-13.802	-7.649	-5.450
Key ratios					
Equity ratio	39,7	35,7	32,3	40,7	47,2
Return on equity	35,2	22,2	10,2	18,0	32,8

The summary of main and key figures only contains the parent company's figures for the years 2020-22 with reference to Section 128, subsection of the Annual Accounts Act. 6, from which it appears that there is only a requirement to consolidate the financial highlights for the current year and the comparison year.

The parent company is thus included in the overview of the main and key figures for the years 2023 and 2024 with reference to the Annual Accounts Act § 101, subsection 4.

The ratios stated in the list of key figures and ratios have been calculated as follows:

Equity ratio:	$\frac{\text{Equity (ex. minorities), at year-end} \times 100}{\text{Total assets, at year-end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

Management Commentary

Principal activities

The company's core activity consists of the development, production, and distribution of certified skin and hair care products.

Development in activities and financial and economic position

The pre-tax result shows a profit of DKK'000 22.772. The result is highly satisfactory and, once again, more than double the previous year's result. This is a consequence of strong revenue growth, investments in new filling lines, and a motivated and well-balanced team of employees who have contributed positively to our customers' growth throughout the year.

2024 marked the 19th consecutive year of record-breaking achievements for DermaPharm. Several new international customers chose DermaPharm to manufacture their products, and nearly all existing customers continued to develop positively. Additionally, we achieved great success with our own brand, Derma, which once again became the undisputed market leader in sun care products in Denmark. Likewise, our expansion into the Nordic markets has begun to show promising long-term potential.

Overall, this has resulted in yet another revenue record being set. Gross margin is improving but is still not at the level of previous years. Despite low Nordic currency exchange rates, we achieved a record profit in 2024.

Profit/loss for the year compared to the expected development

The 2024 result exceeded our earlier forecasts and was even slightly better than the mid-year adjustments we made. We experienced revenue growth while keeping costs at an acceptable level.

Management expects that the company's activities will continue to develop positively in 2025, with a pre-tax result anticipated to be slightly higher than in 2024.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

Financial risk

DermaPharm's revenue is primarily generated in DKK or EUR, with only very limited market transactions in other currencies, hence minimizing financial risks.

Market risks

In recent years, DermaPharm has experienced significant fluctuations in raw material prices and supply chain security. These fluctuations led to an increased focus throughout 2024 on dual sourcing for all major raw materials to ensure supply and minimize price volatility. This process will continue, aiming to achieve even more stable sourcing and reduced raw material price fluctuations.

Research and development activities

In recent years, DermaPharm has invested significantly in expanding our knowledge of both skincare products and their sales. We will continue this in 2025, and we know that these investments will enable us to maintain high standards in the development and production of skin and hair care products.

Future expectations

In 2025, we expect to strengthen our collaboration with existing customers while further expanding internationally. Therefore, we anticipate revenue growth, though at a lower rate than in previous years due to shifts in sun care sales. Our investments in both mixing and filling lines will continue, resulting in increased depreciation costs. The pre-tax profit for 2025 is expected to be between 24-27 million DKK.

Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000
Gross profit		105.386	80.595	106.271	81.331
Staff costs	1	-69.963	-60.068	-69.963	-60.068
Depreciation, amortisation and impairment losses for tangible and intangible assets	2	-10.666	-7.530	-10.641	-7.436
Operating profit		24.757	12.997	25.667	13.827
Income from investments in subsidiaries, associates and equities	3	33	0	33	-636
Other financial income	4	697	755	907	956
Other financial expenses	5	-2.715	-2.655	-2.705	-2.646
Profit before tax		22.772	11.097	23.902	11.501
Tax on profit/loss for the year	6	-5.116	-1.795	-5.364	-1.927
Profit for the year	7	17.656	9.302	18.538	9.574

Balance Sheet at 31 December

		Group		Parent Company	
		2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000
Assets	Note				
Development projects completed, including patents and similar rights originating from development projects		4.848	4.688	4.848	4.688
Acquired concessions, patents, licences, trademarks and similar rights		658	812	658	787
Development projects in progress and prepayments for intangible assets		4.349	5.286	4.349	5.286
Intangible assets	8	9.855	10.786	9.855	10.761
Production plant and machinery		21.775	18.508	21.775	18.508
Other plant, machinery tools and equipment		2.429	1.574	2.429	1.574
Leasehold improvements		4.485	4.771	4.485	4.771
Property, plant and equipment	9	28.689	24.853	28.689	24.853
Investments in associates		1.033	0	1.033	0
Investments in equity		300	300	300	300
Receivables from Group companies		2.665	2.665	2.665	2.665
Receivables from associated enterprises		2.500	0	2.500	0
Rent deposit and other receivables		21	18	21	18
Financial non-current assets	10	6.519	2.983	6.519	2.983
Non-current assets		45.063	38.622	45.063	38.597

Balance Sheet at 31 December

Assets (continued)	Note	Group		Parent Company	
		2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000
Raw materials and consumables		40.392	50.029	40.392	50.029
Work in progress		2.083	1.456	2.083	1.456
Finished goods and goods for resale		10.471	8.191	10.440	8.149
Inventories		52.946	59.676	52.915	59.634
Trade receivables		40.901	23.778	40.175	23.356
Receivables from group enterprises		500	300	4.737	2.526
Receivables from associated enterprises		633	0	633	0
Other receivables		598	894	507	869
Corporation tax receivable		0	5	0	0
Prepayments	11	746	1.475	746	1.475
Receivables		43.378	26.452	46.798	28.226
Cash and cash equivalents		5.310	3.480	4.758	3.340
Current assets		101.634	89.608	104.471	91.200
Assets		146.697	128.230	149.534	129.797

Balance Sheet at 31 December

Equity and liabilities	Note	Group		Parent Company	
		2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000
Share Capital	12	1.000	1.000	1.000	1.000
Reserve for net revaluation under the equity method		33	0	33	0
Reserve for development costs		0	0	7.173	7.780
Retained earnings		47.133	44.745	41.436	37.824
Proposed dividend		10.000	0	10.000	0
Minority shareholders		-1.893	-1.627	0	0
Equity		56.273	44.118	59.642	46.604
Provision for deferred tax	13	2.329	2.299	2.329	2.294
Provisions		2.329	2.299	2.329	2.294
Subordinate loan capital		2.000	2.000	2.000	2.000
Lease liabilities		6.963	7.676	6.963	7.676
Other non-current liabilities		4.650	4.619	4.650	4.619
Non-current liabilities	14	13.613	14.295	13.613	14.295
Bank debt		25.564	25.458	25.564	25.458
Lease liabilities		713	680	713	680
Trade payables		29.164	31.658	28.737	30.879
Debt to Group companies		97	97	0	0
Payables to owners and management		251	241	0	0
Joint tax contribution payable		5.086	119	5.329	322
Other liabilities		13.607	9.265	13.607	9.265
Current liabilities		74.482	67.518	73.950	66.604

Balance Sheet at 31 December

Equity and liabilities (continued)	Note	Group		Parent Company	
		2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000
Liabilities		88.095	81.813	87.563	80.899
Equity and liabilities		146.697	128.230	149.534	129.797
Contingencies etc.	15				
Charges and securities	16				
Related parties	17				
Significant events after the end of the financial year	18				
Consolidated Financial Statements	19				

Equity

DKK '000	Group					Total
	Share Capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend	Minority shareholders	
Equity at 1 January 2024	1.000	0	44.745	0	-1.628	44.117
Proposed profit allocation, see note 7		33	2.388	15.500	-265	17.656
Transactions with owners						
Extraordinary dividend paid				-5.500		-5.500
Equity at 31 December 2024	1.000	33	47.133	10.000	-1.893	56.273

DKK '000	Parent Company					Total
	Share Capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Proposed dividend	
Equity at 1 January 2024	1.000	0	7.780	37.824	0	46.604
Proposed profit allocation, jf. note 7		33		3.005	15.500	18.538
Transactions with owners						
Extraordinary dividend paid					-5.500	-5.500
Other legal bindings						
Capitalized development costs			-607	607		0
Equity at 31 December 2024	1.000	33	7.173	41.436	10.000	59.642

Cash Flow Statement 1 January - 31 December

	Group		Parent Company	
	2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000
Profit/loss for the year	17.656	9.302	18.538	9.574
Depreciation and amortisation, reversed	10.666	7.548	10.641	7.454
Reversed realization gains	0	-18	0	-18
Profit/loss from associates	-33	0	-33	0
Profit/loss from subsidiaries	0	0	0	636
Tax on profit/loss, reversed	5.116	1.795	5.364	1.927
Other adjustments	183	2.304	0	2.304
Corporation tax paid	-322	-1.118	-322	-1.118
Change in inventories	6.730	-4.382	6.719	-4.340
Change in receivables (ex tax)	-16.931	-670	-18.572	-1.251
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	1.911	6.391	2.253	5.789
Other cash flows from operating activities	-681	-138	-681	-130
Cash flows from operating activity	24.295	21.014	23.907	20.827
Purchase of intangible assets	-3.856	-3.725	-3.856	-3.725
Purchase of property, plant and equipment	-9.715	-7.964	-9.715	-7.964
Purchase of financial assets	-3.500	0	-3.500	0
Other cash flows from investing activities	0	0	-24	0
Cash flows from investing activity	-17.071	-11.689	-17.095	-11.689
Change in bank debt	106	-3.345	106	-3.345
Dividends paid in the financial year	-5.500	-2.500	-5.500	-2.500
Cash flows from financing activity	-5.394	-5.845	-5.394	-5.845
Change in cash and cash equivalents	1.830	3.480	1.418	3.293
Cash and cash equivalents at 1. januar	3.480	0	3.340	47
Cash and cash equivalents at 31. december	5.310	3.480	4.758	3.340
Cash and cash equivalents at 31 December comprise:				
Cash and cash equivalents	5.310	3.480	4.758	3.340
Cash and cash equivalents	5.310	3.480	4.758	3.340

Notes

	Group		Parent Company	
	2024	2023	2024	2023
	DKK '000	DKK '000	DKK '000	DKK '000
1 Staff costs				
Average number of full time employees	122	117	122	117
Wages and salaries	62.903	54.140	62.903	54.140
Pensions	5.674	4.658	5.674	4.658
Social security costs	1.386	1.270	1.386	1.270
	69.963	60.068	69.963	60.068
Remuneration of Management and Board of Directors	1.007	1.008	1.007	1.008
Remuneration of Executive Board	4.211	3.406	4.211	3.406
	5.218	4.414	5.218	4.414
2 Depreciation, amortisation and impairment losses for tangible and intangible assets				
3 Income from investments in subsidiaries, associates and equities				
Income from investments in subsidiaries	0	0	0	-636
Income from investments in associates	33	0	33	0
	33	0	33	-636
4 Other financial income				
Group enterprises	0	0	210	178
Other interest income	697	755	697	778
	697	755	907	956
5 Other financial expenses				
Group enterprises	80	0	80	0
Other interest expenses	2.635	2.655	2.625	2.646
	2.715	2.655	2.705	2.646
6 Tax on profit/loss for the year				
Calculated tax on taxable income of the year	4.872	2.732	5.329	3.072
Adjustment of deferred tax	244	-937	35	-1.145
	5.116	1.795	5.364	1.927

Notes

	Group		Parent Company	
	2024	2023	2024	2023
	DKK '000	DKK '000	DKK '000	DKK '000
7 Proposed distribution of profit				
Proposed dividend for the year	10.000	0	10.000	0
Extraordinary dividend	5.500	0	5.500	0
Allocation to reserve for net revaluation under the equity method	33	0	33	0
Retained earnings	2.388	9.574	3.005	9.574
Minoritetsinteressernes andel af dattervirksomheders resultat	-265	-272	0	0
	17.656	9.302	18.538	9.574

8 | Intangible assets

	Group		
DKK '000	Development projects completed, including patents and similar rights originating from development projects	Acquired concessions, patents, licences, trademarks and similar rights	Development projects in progress and prepayments for intangible assets
Cost at 1 January 2024	19.774	7.293	5.286
Transfer	2.407	0	-2.407
Additions	0	71	3.785
Disposals	0	0	-2.315
Cost at 31 December 2024	22.181	7.364	4.349
Amortisation at 1 January 2024	15.086	6.481	0
Amortisation for the year	2.247	225	0
Amortisation at 31 December 2024	17.333	6.706	0
Carrying amount at 31 December 2024	4.848	658	4.349

Completed development projects and development projects in progress include the development and testing of mixtures, recipes, etc. The costs consist of internal costs in the form of direct wages, etc., in the company's development department, which are recorded via time registration, as well as external assistance in connection with development.

The accounting value of development projects amounts to DKK 9,197 thousand, consisting of completed development projects at DKK 4,848 thousand and development projects in progress at DKK 4,349 thousand.

Both completed development projects and development projects in progress contribute or are expected to contribute significantly to the company's earnings going forward.

In 2024, management conducted an impairment test of the accounting value of both completed development projects and development projects in progress, which did not result in any need for impairment.

Notes

8 | Intangible fixed assets (continued)

DKK '000	Parent Company		
	Development projects completed, including patents and similar rights originating from development projects	Acquired concessions, patents, licences, trademarks and similar rights	Development projects in progress and prepayments for intangible assets
Cost at 1 January 2024	19.744	6.865	5.286
Transfers to/from other items	2.407	0	-2.407
Additions	0	71	3.785
Disposals	0	0	-2.315
Cost at 31 December 2024	22.151	6.936	4.349
Amortisation at 1 January 2024	15.056	6.078	0
Amortisation for the year	2.247	200	0
Amortisation at 31 December 2024	17.303	6.278	0
Carrying amount at 31 December 2024	4.848	658	4.349

Completed development projects and development projects in progress include the development and testing of mixtures, formulations, etc. The costs consist of internal costs in the form of direct wages, etc., in the company's development department, which are recorded via time registration, as well as external assistance in connection with development.

The accounting value of development projects amounts to DKK 9,197 thousand, consisting of completed development projects at DKK 4,848 thousand and development projects in progress at DKK 4,349 thousand.

Both completed development projects and development projects in progress contribute or are expected to contribute significantly to the company's earnings going forward.

In 2024, management conducted an impairment test of the accounting value of both completed development projects and development projects in progress, which did not result in any need for impairment.

9 | Property, plant and equipment

DKK '000	Group		
	Production plant and machinery	Other plant, machinery tools and equipment	Leasehold improvements
Cost at 1 January 2024	31.414	5.041	9.284
Additions	7.250	1.211	1.254
Cost at 31 December 2024	38.664	6.252	10.538
Depreciation and impairment losses at 1 January 2024	12.907	3.467	4.513
Depreciation for the year	3.982	356	1.540
Depreciation and impairment losses at 31 December 2024	16.889	3.823	6.053
Carrying amount at 31 December 2024	21.775	2.429	4.485
Finance lease assets	6.907		

Notes

9 | Tangible fixed assets (continued)

DKK '000	Parent Company		
	Production plant and machinery	Other plant, machinery tools and equipment	Leasehold improvements
Cost at 1 January 2024	31.414	4.947	9.284
Additions	7.250	1.211	1.254
Cost at 31 December 2024	38.664	6.158	10.538
Depreciation and impairment losses at 1 January 2024	12.907	3.373	4.513
Depreciation for the year	3.982	356	1.540
Depreciation and impairment losses at 31 December 2024	16.889	3.729	6.053
Carrying amount at 31 December 2024	21.775	2.429	4.485
Finance lease assets	6.907		

10 | Financial non-current assets

DKK '000	Group		
	Investments in associates	Investments in equity	Receivables from Group companies
Cost at 1 January 2024	0	300	2.665
Additions	1.000	0	0
Cost at 31 December 2024	1.000	300	2.665
Profit/loss for the year	33	0	0
Revaluation at 31 December 2024	33	0	0
Carrying amount at 31 December 2024	1.033	300	2.665

DKK '000	Group	
	Receivables from associated enterprises	Rent deposit and other receivables
Cost at 1 January 2024	0	21
Additions	2.500	0
Cost at 31 December 2024	2.500	21
Carrying amount at 31 December 2024	2.500	21

Notes

10 | Fixed asset investments (continued)

DKK '000	Parent Company		
	Investments in associates	Investments in equity	Receivables from Group companies
Cost at 1 January 2024	0	300	2.665
Additions	1.000	0	0
Cost at 31 December 2024	1.000	300	2.665
Profit/loss for the year	33	0	0
Revaluation at 31 December 2024	33	0	0
Carrying amount at 31 December 2024	1.033	300	2.665

DKK '000	Parent Company	
	Receivables from associated enterprises	Rent deposit and other receivables
Cost at 1 January 2024	0	21
Additions	2.500	0
Cost at 31 December 2024	2.500	21
Carrying amount at 31 December 2024	2.500	21

Investments in subsidiaries (DKK '000)

Name and residence	Equity	Profit/loss for the year	Ownership
Dermaknowlogy ApS, Fårup	-6.309	-882	70 %

Investments in associates (DKK '000)

Name and residence	Equity	Profit for the year	Ownership
RPDP ApS, Fårup	2.016	16	50 %

Investments in equities (DKK '000)

Name and residence	Equity	Profit for the year	Ownership
Lucia Care ApS, Odense	-3.169	-2.229	10 %

Notes

	Group		Parent Company	
	2024	2023	2024	2023
	DKK '000	DKK '000	DKK '000	DKK '000

11 | Prepayments

Costs	746	1.475	746	1.475
	746	1.475	746	1.475

12 | Share Capital

Allocation of share capital:

Class A shares, 1.000 unit in the denomination of 1.000 DKK			2024 DKK '000	2023 DKK '000
			1.000	1.000
			1.000	1.000

13 | Provision for deferred tax

The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

	Group		Parent Company	
	2024	2023	2024	2023
	DKK '000	DKK '000	DKK '000	DKK '000
Deferred tax is related to				
Intangible assets	2.017	2.224	2.017	2.224
Tangible assets	1.518	1.554	1.518	1.554
Inventories	542	413	542	413
Lease liabilities	-1.689	-1.838	-1.689	-1.838
Provisions	-59	-59	-59	-59
	2.329	2.294	2.329	2.294
Deferred tax, beginning of year	2.294	3.439	2.294	3.439
Deferred tax of the year, income statement	35	-1.145	35	-1.145
Provision for deferred tax 31 December 2024	2.329	2.294	2.329	2.294

Notes

14 | Long-term liabilities

DKK '000	Group			31/12 2023 total liabilities
	31/12 2024 total liabilities	Repayment next year	Debt outstanding after 5 years	
Subordinate loan capital	2.000	0	2.000	2.000
Lease liabilities	7.676	713	3.761	8.356
Other non-current liabilities	4.650	0	0	4.705
	14.326	713	5.761	15.061

DKK '000	Parent Company			31/12 2023 total liabilities
	31/12 2024 total liabilities	Repayment next year	Debt outstanding after 5 years	
Subordinate loan capital	2.000	0	2.000	2.000
Lease liabilities	7.676	713	3.761	8.356
Other non-current liabilities	4.650	0	0	4.705
	14.326	713	5.761	15.061

15 | Contingencies etc.

Contingent liabilities

	Group		Parent Company	
	2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000
Non-recognized lease and leasing obligations				
Obligations under lease and leasing contracts until expiration in total	21.246	21.147	21.246	21.147
Of which obligations under lease and leasing contracts with affiliated companies	21.000	21.000	21.000	21.000
	42.246	42.147	42.246	42.147

Joint liabilities

The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Kuntkes Group ApS, which serves as management Company for the joint taxation.

Notes

16 | Charges and securities

To secure bank debt, a letter of indemnity for a nominal amount of DKK 16,000 thousand has been issued as a business mortgage. The business mortgage includes tangible and intangible fixed assets, simple receivables, and inventories.

The accounting value of the pledged assets covered by the mortgage amounts to DKK '000 132.381. The debt secured by the business mortgage amounts to DKK'000 25.564 as of 31. December 2024.

The business mortgage is also provided as security for bank debt in DermaPharm Holding A/S and Ejendomsselskabet Europavej 10 A/S. This bank debt amounts to DKK'000 13.608 as of 31. December 2024.

The company has guaranteed mortgage debt in affiliated companies. The mortgage debt in affiliated companies amounts to DKK'000 24.345 as of 31. December 2024.

The parent company has, for the benefit of the creditors of the subsidiary Dermaknowlogy ApS, submitted a declaration of withdrawal regarding the net receivable from the subsidiary.

17 | Related parties

The Company's related parties include:

Controlling interest

DermaPharm Holding A/S, Majority owner of Derma Pharm A/S
Kuntkes Holding ApS, Majority owner of DermaPharm Holding A/S
Annette Kuntkes, Majority owner of Kuntkes Group ApS
Birger Kuntkes, Majority owner of Kuntkes Group ApS

Transactions with related parties

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

18 | Significant events after the end of the financial year

No events of significant importance to the group's and the company's financial position have occurred after the end of the financial year.

19 | Consolidated Financial Statements

The company is included in the consolidated financial statements of Kuntkes Group ApS, Glostrup, CVR-number 24 98 41 84.

Accounting Policies

The Annual Report of DERMA PHARM A/S for 2024 has been presented in accordance with the provisions of the Danish medium-size Financial Statements Act for enterprises in reporting class C .

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements

The Consolidated Financial Statements include the Parent Company DERMA PHARM A/S and the subsidiaries in which DERMA PHARM A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or established enterprises within the Group are recognised in the Consolidated Financial statements from the date of takeover or establishment. Sold or wound-up enterprises are recognised in the Consolidated Income Statement up to the time of handover. Comparative figures are not adjusted for newly acquired, sold or wound-up enterprises.

The takeover date is the date on which the Group gains actual control over the acquired enterprise.

Acquired enterprises within the Group are recognised in the Consolidated Financial Statements according to the combination method, the combination being regarded as completed at the date of acquisition, and by using the carrying amounts of the assets and liabilities taken over.

Positive and negative differences between the acquisition value and the carrying amounts of taken over and identified assets and liabilities are recognised in equity upon acquisition. The difference from acquired entities is 0 DKK.

Transaction costs, incurred in connection with acquisition of businesses, are recognised in the income statement in the year when costs are incurred.

Equity interests in subsidiaries are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the date of takeover.

Investments in associates are measured in the Balance Sheet at the proportional share of the equity value of the enterprises, calculated under the accounting policies of the Parent Company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the Income Statement after elimination of the proportional share of internal gains and losses.

Minority interests

The accounting items of the subsidiaries are recognised in full in the Consolidated Financial Statements. The minority interests' proportional share of the results and equity of the subsidiaries is stated as separate items in the allocation of profit/loss and equity, respectively.

Income Statement

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Accounting Policies

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, operating lease expenses, etc

Payments related to operating lease expenses and other lease agreements are recognised in the Income Statement over the contract period. The Company's total liability concerning operating and other lease agreements are stated under contingencies, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Group and the Parent Company's employees.

Income from investments in subsidiaries, associates and equities

The Income Statement of the Parent Company recognises the proportional share of the results of subsidiaries and associates determined according to the Parent Company's accounting policies and after full elimination of intercompany profits/losses and deduction of amortisation of goodwill. resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

Profits from sale are recognized, if the economic rights related to the sold subsidiaries and associates are transferred. However, not before the profit is realised or regarded as realisable. Moreover, realised losses besides impairments are recognised when they are demonstrated.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

Accounting Policies

Balance Sheet

Intangible fixed assets

Intangible assets, etc. include ongoing and completed development projects with associated intangible rights, acquired intangible rights, and prepayments for intangible assets.

Development projects related to products and processes that are clearly defined and identifiable, where the technical feasibility, sufficient resources, and a potential future market or development opportunity within the company can be demonstrated, and where it is intended to produce, market, or use the product or process in question, are recognized as intangible assets. Other development costs are recognized as expenses in the income statement when incurred. When recognizing development projects as intangible assets, an amount corresponding to the incurred costs less deferred tax is tied to equity under the reserve for development costs, which is reduced in line with the amortization and impairment of the development projects.

The cost of development projects includes expenses, including salaries and depreciation, that can be directly and indirectly attributed to the development projects.

Completed development projects are amortized on a straight-line basis over the expected useful life, which is determined based on a specific assessment of each development project.

The amortization periods used are 3-5 years.

Acquired intangible rights are measured at cost less accumulated amortization. Patents are amortized on a straight-line basis over the remaining patent period, and licenses are amortized on a straight-line basis over the agreement period.

Intangible rights, etc. are written down to the recoverable amount if this is lower than the carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

Production plant and machinery	5-10 years
Other plant, fixtures and equipment	3-5 years
Leasehold improvements	10 years

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Accounting Policies

Lease contracts

Lease contracts relating to tangible fixed assets for which the Company bears all material risks and benefits attached to the ownership (finance lease, of IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company's loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group's and the Company's other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

Financial non-current assets

Investments in subsidiaries and associates are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Investments in subsidiaries and associates are measured in the Balance Sheet at the proportional share of the enterprises' carrying Equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses, and with addition of remaining additional values and goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement upon acquisition of the Equity interest. Where the negative goodwill is related to takeover of contingent liabilities, the negative goodwill is not recognised before the contingent liabilities are settled or cancelled.

The combination method is applied when acquiring enterprises within the Group, where the combination is regarded as completed at the date of acquisition, and by using the carrying amounts of the assets and liabilities acquired.

The difference between the acquisition cost and carrying amounts is recognised directly in equity.

Net revaluation of investments in subsidiaries and associates is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Profit and loss at disposal of investments in subsidiaries and associates are determined as the difference between the net selling price and the carrying amount of the disposed investment at the time of sale, including non-depreciated excess values and goodwill. Profit and loss are recognised in the Income Statement under income from investments.

Investments in subsidiaries and associates with negative equity value are measured at DKK 0. Any receivables with these companies are written off, to the extent that the receivable is uncollectible from a specifically assessed indication of impairment. To the extent that the Parent Company has a legal or actual obligation to cover a negative balance which exceeds the receivable, the remainder is recognised under provisions for liabilities.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

Accounting Policies

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Prepayments, assets

Prepayments recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Accounting Policies

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

Cash Flow Statement

The cash flow statement shows the cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:

Cash and cash equivalents include cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.