Scantox Denmark ApS

Hestehavevej 36A, 4623 Lille Skensved

CVR-nr. 42015768

Annual Report 2024

Approved at the Company's annual general meeting on 23 April 2025

Chair of the meeting

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Jens Bager

Contents

Management's Statement

The Board of Directors and the Executive Board have today discussed and approved the annual report of Scantox Denmark ApS for the financial year 1 January - 31 December 2024.

The annual report has been prepared in accordance with IFRS Accounting Standards - IFRS® (hereinafter 'IFRS Accounting Standards' or 'IFRS') as adopted by the European Union (EU), and additional disclosure requirements of 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 financial position of the Group and the Parent Company at 31 December 2024 and of the results of their operations and cash flows for the financial year 1 January - 31 December 2024.

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

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

Lille Skensved, 23 April 2025
Executive Board:

Jeanet Løgsted Nielsen CEO	Martin Amtoft-Christensen CFO

Board of Directors:

Jens Bager Chair	Nicholas Povl Zilstorff Hooge

Independent auditor's report

To the shareholder of Scantox Denmark ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Scantox Denmark ApS for the financial year 1 January – 31 December 2024, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with IFRS Accounting Standards (IFRS®) as adopted by the EU and additional requirements of 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 financial position of the Group and the Parent Company at 31 December 2024 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of 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 consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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.

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 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 our procedures, 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 Statements Act. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of 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 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 financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

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 additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.
As part of an audit conducted in accordance with ISAs and 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 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 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 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 financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

Copenhagen, 23 April 2025
EY Godkendt Revisionspartnerselskab

CVR no. 42 01 57 68

Ole Becker State Authorised Public Accountant mne33732	Christian Carlsbæk State Authorised Public Accountant mne50651

Management's review

Company details

Name	Scantox Denmark ApS
Address, postal code, city	Hestehavevej 36A Ejby, DK-4623 Lille Skensved
CVR no.	42 01 57 68
Established	11 January 2021
Registered office	Køge, Denmark
Financial year	1 January – 31 December
Executive Board	Jeanet Løgsted Nielsen, CEO Martin Amtoft-Christensen, CFO
Board of Directors	Jens Bager, Chair Nicholas Povl Zilstorff Hooge
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, DK-2000 Frederiksberg

Management's review

Group Overview

At a glance

Scantox is a leading preclinical CRO, founded in 1977 and headquartered in Denmark. Leveraging over 40 years of scientific expertise, the company is today owned by Impilo, the leading Nordic healthcare investment company.

At Scantox, we work from a commitment to be a sustainable business. We understand that each customer's drug development journey is unique, and that flexibility is key to fostering innovation. Our adaptable service model allows us to offer bespoke solutions that precisely match the specific needs of our diverse client portfolio. Whether you are addressing the complexities of regulatory frameworks or seeking to optimize lead candidates swiftly and efficiently, our expert team provides unwavering support every step of the way.

Management's review

Performance highlights

Revenue adjusted for Full Year effect of acquisitions of 61.2m

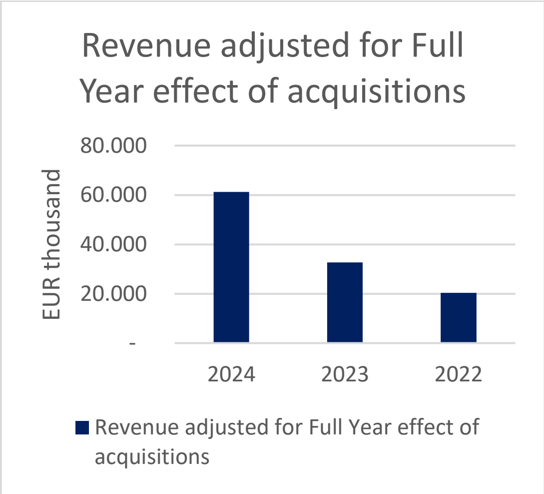
Revenue growth of 87%

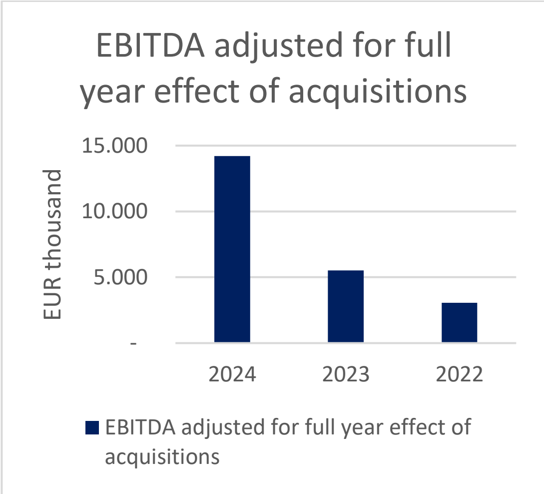
EBITDA adjusted for full year effect of Acquisitions of 14.3m

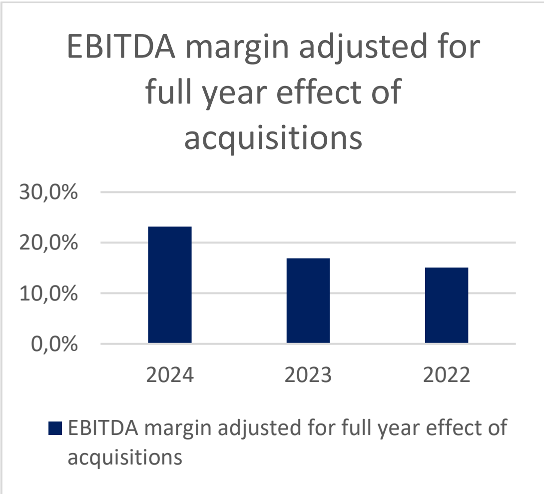
EBITDA growth of 162%

EBITDA margin adjusted for full year effect of acquisitions of 23.3%

Profitable growth with continued margin improvement







The 2022 numbers are adjusted for the full year effect of the acquisitions of Timeline Bioresearch AB (Timeline) and Adlego Biomedical AB (Adlego).

The 2023 numbers are adjusted for the full year effect of the acquisitions of Q&Q Labs AB (Q&Q) and Solural Pharma Aps (Solural).

The 2024 numbers are adjusted for the full year effect of the acquisitions of Scantox Neuro GmbH (QPS Neuro) and Gentronix Limited (Gentronix).

Management's review

Letter from the Chair and CEO

Sustainable Growth through Synergies

With a series of strategically fit acquisitions in recent years incl. QPS Neuro in April and Gentronix in September 2024, our focus has turned to capitalizing the synergy potential of our widened portfolios and enhanced ability to deliver outstanding services across the preclinical value chain.

2024 was another eventful year for Scantox, marked by a challenging CRO market with lower demand for preclinical outsourcing. Despite market headwinds, we continued to grow our business through both new and existing clients, supported by an increasingly comprehensive range of high-quality service offerings.

In April, the acquisition of QPS Neuro (now Scantox Neuro) strengthened our foothold in Discovery and secured a leading position in neurology as specialists in CNS and rare diseases. The team's robust scientific and technical expertise in neurodegenerative disease research has further elevated our reputation, aligning naturally with the Scantox brand and making this addition a seamless fit.

In September, Gentronix joined the Scantox Group, complementing our core capabilities in regulatory toxicology. This move enables us to address requests for genetic toxicology services — mandatory studies for progressing into clinical trials. The Gentronix team has licensed and pioneered the Transgenic Rodent (TGR) assay, Big Blue, as one of only three global providers, to help test for nitrosamine impurities in both new and on-market drugs.

Customer feedback has been overwhelmingly positive, highlighting the potential to broaden engagement thanks to our well-established brands and history of quality work. These achievements reflect the dedication of our employees, who serve customers daily with a consistent scientific, technical, quality, and ethical focus. While we do not rule out future acquisitions, in 2025, our efforts will pivot towards continuing to integrate and harmonize operations where appropriate, as well as capitalizing on synergies across all sites.

Overall, 2024 was transformational for Scantox, enabling us to deliver a full range of services—from early-stage lead identification and regulatory-requested safety studies through to on-market drug support. We have demonstrated our commitment to expanding both service offerings and geographic reach, serving as a "one-stop-shop" to foster deeper collaboration. Still, we proudly see ourselves as a niche CRO within e.g. CNS, the use of Göttingen minipigs and the BigBlue® assay. We have remained steadfast to our core value: being a trusted partner that delivers high-quality, science-led interactions from first contact to final report.

We are committed to our ESG vision, ensuring it remains an integrated workstream in all that we do. We fulfilled our ESG goals incl. transitioning to more renewable energy, substituting materials for more environmental-friendly and safe alternatives. In addition, we have launched initiatives to improve opportunities for employee growth at all levels in our organization with a higher level of group-wide support.

2024 brought substantial improvements in real-time ESG reporting, allowing us to make more data-driven sustainability decisions. These refined our sustainability-linked loan responses and smoothly integrating our acquisitions into the broader organization.

We continue to grow our business with both new and existing clients from virtual biotech companies to 16 of the 20 largest global pharma companies by offering an ever-expanding portfolio of high-quality services. Simultaneously, we are investing in our operations to digitize processes and introduce new models where they benefit our customers, always mindful of the trusted partnerships we cultivate and value highly.

Animal welfare is a continuous focus area for our company and we actively thrive to exceed governmental minimum requirements for the benefit of the animals and our staff but also in the belief that results from our experiments become more valid and predictive when the animals are happy and healthy. As part of our dedication to continuous improvement, we invested in an additional facility by our Ejby location in 2023 which expands our capacity for non-rodents and provides greater outdoor access areas for the animals. The facility opened early 2025 and has been acknowledged very positively by our clients.

Our highly skilled staff form the backbone of our operations, and we are humbled and thankful for their unwavering commitment. Leveraging synergies across different locations and welcoming new colleagues is an essential driver of our ongoing success and positive outlook for 2025.

Jeanet Løgsted	Jens Bager
CEO	Chair of the Board

Management’s review

Letter from the CFO

Financial Highlights

The 2024 result shows high profitable growth from transformational acquisitions.

2024 revenue reached EUR 47.5m - corresponding to a growth of 62%. Adjusting for the full year effect of acquisitions revenue reached EUR 61.2m - corresponding to a growth of 87%. Including the acquired companies’ full year in both 2023 and 2024, the pro-forma adjusted full year organic revenue growth in 2024 is 5%.

EBITDA before special items again increased more than 100% to EUR 10.8m providing an EBITDA margin of 22.7%. Adjusting for the full year effect of acquisitions EBITDA reached EUR 14.3m - corresponding to a margin of 23.3%.

Despite the strong underlying operational performance of the business the total income for the year is negative due to increased amortization and transaction costs in relation to the acquisition of Scantox Neuro and Gentronix.

In the 2023 annual report we expected a revenue for 2024 of EUR 46m - 50m. Revenue is higher than expectations for the year due to the impact of the acquisition of Gentronix Ltd. The EBITDA margin is in line with expectations of an EBITDA margin of 22% - 25%.

We are very pleased with our successful acquisition and integration of Scantox Neuro and Gentronix while delivering strong profitability in a challenging market environment. At the same time, we have enhanced financial and ESG reporting and forecasting, strengthening our operational foundation. This has enabled us to secure a sustainability-linked loan supported by leading Nordic banks, an endorsement of our commitment to both financial and ESG excellence.

Total Cash Flow is EUR 9.8m and is significantly impacted by the new financing structure that has been established to fund the acquisitions of Scantox Neuro and Gentronix.

The Operating Cash Flow is negative EUR 9.0m mainly due to transaction costs in relation to the acquisition of Scantox Neuro and Gentronix.

The Cash Flow from investing activities is negative with EUR 119.6m due to the acquisition of Scantox Neuro and Gentronix. The investments in property, plant & equipment was EUR 8.4m emphasizing our continued development of capacity and service offering to support the growth in the years to come. As planned, we completed the refurbishment of the new facility in Denmark focusing on unsurpassed animal welfare and have early 2025 started the production at the new site.

The Cash Flow from financing activities is EUR 138.3m of which EUR 64.4m is proceeds from issuance of shares and EUR 78.9m is from borrowings - both to finance the acquisitions of Scantox Neuro and Gentronix Ltd. The financing structure is supported by the positive underlying cash flow of the business.

The overall development is reflected in the Balance sheet with total balance sheet increasing to EUR 184.6m - mainly due to the acquisitions.

Total Equity increased to EUR 55.8m.

The Group's capital structure changed substantially in 2024 as a consequence of the transformational acquisitions. The acquisitions were financed by a combination of both new equity and bank debt. The financing agreement is governed by two financial covenants that are tested on a quarterly basis and both are fulfilled by the end of 2024 and are expected to be fulfilled going forward.

EUR thousand	2024	2023
Reported EBITDA before special items	10,790	5,270
Special Items	(7,874)	(1,419)
Reported EBITDA	2,916	3,851
Delta Working Capital	(6,520)	(2,685)
Financial items & tax	(5,357)	(1,091)
Operating Cash Flow	**(8,961)**	**75**
Investing Activities	(119,570)	(8,291)
Financing Cash Flow	138,342	6,699
Total Cash Flow	**9,811**	**(1,517)**

Uncertainty relating to recognition and measurement

Revenue recognition

Scantox's client contracts are designed to allow the Group to perform specific studies, usually at a fixed price. Revenue is recognized with the production method using estimates of the value produced in the fiscal period. The revenue estimates inherently pose some measurement uncertainty, though they are subject to extensive control and assessment.

Purchase Price Allocations

Significant assets acquired through business combinations generally comprise goodwill and client relationships. Management makes estimates of the fair value of acquired assets, liabilities, and contingent liabilities. Depending on the nature of the item, the determined fair value of an item may be associated with uncertainty and possibly adjusted subsequently.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which could materially affect the Group's financial situation in a negative direction.

Expectations 2025

The current macroeconomic environment is making the market situation and the outlook for 2025 more uncertain than normally. With the integration of the transformational acquisitions in 2024 we expect revenue and EBITDA before special items in 2025 to be at the same level as the 2024 result adjusted for full year effect of the acquisitions.

Martin Amtoft-Christensen

Chief Financial Officer, CFO

Management’s review

Financial highlights for the Group

EUR thousand	2024	2023	2022	2021
Key figures				
Revenue	47,457	29,251	18,222	6,499
Gross Profit	34,299	18,873	11,472	4,133
EBITDA before special items	10,790	5,270	2,512	(718)
EBIT before special items and PPA amortisations*	5,920	2,820	(386)	(1,755)
EBIT	(6,692)	1,401	(386)	(1,755)
Net financials	(4,947)	(309)	(22)	(157)
Profit before tax	(11,639)	1,092	(408)	(1,911)
Income /(loss) for the year	(10,586)	1,282	(434)	(512)
Balance sheet				
Balance sheet total	184,562	29,042	19,631	14,947
Investments in Property, plant and equipment	8,354	5,010	2,088	1,663
Equity	55,819	5,356	3,972	4,514
Cash flow				
Cash flow from operating activities	(8,961)	75	3,533	(2,398)
Cash flow from investing activities	(119,570)	(8,291)	(2,762)	(2,824)
Cash flow from financing activities	138,342	6,699	(740)	6,560
Total cash flow	**9,811**	**(1,517)**	**31**	**1,339**
Financial ratios				
Gross margin, %	71.0%	64,5%	63,0%	63,6%
EBIT margin, %	(14.1%)	4,8%	(2,1%)	(27,0%)
Solvency ratio	30.2%	18,4%	20,2%	30,2%
Return on equity	(19.0%)	23,9%	(10,9%)	(11,3%)

** EBIT adjusted for special items as reported in note 2.5 of the financial statements and for amortised costs related to customer relationship and order backlog from the purchase price allocation from the acquisition of Scantox Neuro and Gentronix.*

ESG	2024	2023	2022	2021
Average number of full-time equivalents	372	213	111	64
CO2 emission scope 1 & 2	400	1,761	1,531	1,571
CO2 emission scope 3	4,445	5,052	3,137	2,697

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

Gross Profit: Revenue – Raw materials and consumables – Other operating expenses

Gross margin: Gross profit/loss x 100 / Revenue

Profit margin: Profit/loss x 100 / Revenue

Return on assets: Profit/loss x 100 / Total assets

Solvency ratio: Equity x 100 / Total assets

Return on equity Profit/loss x 100 / Total equity

Management's review

Sustainability Statement

About this Report

In 2024, Scantox aligned its ESG reporting with the Voluntary reporting standard for SMEs framework, marking a shift from the CSRD framework. Though current proposed legislation means Scantox is no longer in scope for CSRD-level compliance, our commitment to go above and beyond is unchanged. As the EU refines its sustainability reporting legislation, we continue to monitor developments closely, ensuring we stay ahead of evolving regulations.

Beyond compliance, 2024 has seen significant improvements in real-time ESG reporting, enhancing our ability to make data-driven sustainability decisions. These advancements have played a critical role in optimizing our response to sustainability-linked loans and integrating our new acquisitions in the UK and Austria into our growing organization.

ESG at Scantox: Our Commitment

At Scantox, ESG is more than just a regulatory requirement–it is embedded into our core business strategy. Sustainability is a guiding principle across operations, leadership, and decision-making, ensuring that we create long-term value for our stakeholders. Our expansion into the UK and Austria has increased the complexity of our operations, but it has also strengthened our ESG governance. Today, we see ESG as an integral part of our company culture, rather than a separate initiative. The principles of sustainability, transparency, and responsibility are reflected in the way we work, grow, and engage with our employees and partners.

Sustainability Strategy & Targets

One of the most significant milestones of 2024 has been our success in securing and executing a sustainability-linked loan, which supported the acquisition of Scantox Neuro and Gentronix. The loan was structured around key sustainability performance targets, requiring us to achieve measurable ESG improvements.

We are proud to report that we have successfully met all of our 2024 sustainability-linked loan targets, including:

- Reducing Scope 1 and Scope 2 CO_2 emissions by more than 73.9%
- Engaging at least six key suppliers in the Science-Based Targets Initiative –a target we exceeded by bringing seven suppliers on board

Achieving these goals demonstrates that sustainability and financial growth can go hand in hand. This success has also strengthened our relationships with lenders, proving that Scantox is a company that delivers on its commitments. Furthermore, our commitment with the SBTi is setting the stage for a broader solidification in how we track, manage, and reduce emissions across our entire supply chain. As we move forward, our goal is to establish company-wide science-based targets, ensuring that our growth is aligned with global climate objectives.

In addition to emissions reductions, we have refined our ESG decision-making processes, shifting from a compliance-driven approach to one that prioritizes real-world impact. Our focus is not just on reporting metrics but on implementing meaningful changes that enhance both business resilience and environmental responsibility.

Management's review

ESG Governance & Oversight

With rapid growth comes the challenge of ensuring that governance structures evolve in step with expansion. In 2024, our workforce has doubled, and we have expanded into new markets in the UK and Austria. Managing ESG at this scale requires a deliberate balance between structured oversight and operational flexibility to ensure that policies enable progress rather than constrain it.

As a result, our global ESG policies are undergoing final refinements to ensure that they work seamlessly across all locations. While some policies are still pending formal updates, we view this as a positive and intentional decision allowing us to ensure policies enhance, rather than hinder, operations at our new sites. Instead of enforcing top-down mandates prematurely, we have focused on practical ESG integration at every level of the company.

To support this scalable approach to governance, we have already taken the following steps:

- Global ESG working documents are in place, but pending, across all locations, allowing teams to align with our sustainability objectives while maintaining site-specific flexibility.

- ESG oversight is embedded, directly or in-directly, into everyday decision-making, ensuring that employees across all regions actively contribute to sustainability goals rather than ESG being seen as a separate compliance function.

- Governance policies are aligned with broader assurance efforts, including external validation of our sustainability-Linked Loan KPIs in 2024. Looking ahead, we will evaluate limited assurance for the entire ESG report in 2025, working closely with auditors and external stakeholders to ensure credibility and transparency.

Ultimately, our governance model is designed to scale with our business–ensuring that we maintain a high standard of sustainability, ethics, and accountability while fostering a governance structure that is both adaptive and robust. Our commitment to global ESG alignment remains clear: we will continue to refine and optimize policies to ensure they enhance operations, empower employees, and support sustainable long-term growth.

Management's review

Materiality & Sustainability Focus Areas

Sustainability Statement

2024 marks the first full year of Scantox operating with an integrated double materiality framework, a structured approach that evaluates ESG factors based on both financial impact on Scantox and our company's broader impact on society and the environment. This framework is not just about meeting regulatory requirements - it is a tool that ensures our sustainability efforts remain focused on real-world outcomes rather than just compliance.

By fully embedding this methodology into our decision-making processes, we ensure that ESG considerations are assessed not only for their business relevance but also for their broader implications across our industry and beyond. This has helped align our corporate strategy, investment decisions, and sustainability actions with long-term value creation for all stakeholders.

While we have seen significant progress in refining our data collection and decision-making structures, we recognize that double materiality is an evolving process. As we continue to expand across multiple countries, we will remain attentive to new risks and opportunities that could reshape our material focus areas in the years to come.

Double Materiality Assessment		Impact materiality	Financial materiality	Link to sustainability pillar
E1	Climate change	Material	Material	Climate and environmental action
E2	Pollution	Not material	Not material	Climate and environmental action
E3	Water and marine resources	Not material	Not material	Climate and environmental action
E4	Biodiversity[1] and ecosystems	Not material	Not material	Climate and environmental action
E5	Resource use and circular economy	Material	Material	Climate and environmental action
S1	Own workforce	Material	Material	Social responsibility
S2	Workers in the value chain	Not material	Not material	Social responsibility
S3	Affected communities	Not material	Not material	Social responsibility
S4	Consumers and end-users	Not material	Not material	Social responsibility
G1	Business conduct	Material	Material	Financial strength, governance and culture

Key Material Topics for Scantox in 2024

As expected, our key material topics have remained largely consistent with our previous ESG reports. However, our analysis continues to refine the weight and importance of different sustainability areas based on evolving business needs, stakeholder expectations, and regulatory trends.

One area that remains outside of materiality but continues to receive attention is biodiversity. While not considered a material ESG factor in our analysis, biodiversity intersects with our operations in meaningful ways, particularly through land use, habitat conservation, and chemical management. As a result, we continue to pursue voluntary initiatives in this space, demonstrating leadership beyond regulatory obligations.

Climate Change & Energy: Given our commitment to net-zero emissions by 2030 and our sustainability-linked financial commitments, this remains one of the most critical focus areas.

Own Workforce: With our rapid growth from 220 to 403 in one year, talent retention, workplace safety, and employee well-being have taken on even greater importance.

Business Conduct & Ethics: As we expand across borders, strong corporate governance, ethical leadership, and data security measures remain fundamental to our operations.

How We Prioritize ESG Actions

ESG at Scantox has evolved from being in-part compliance-driven to being an active business enabler. We prioritize ESG actions through a structured approach that balances stakeholder expectations with business and sustainability impact.

1. Stakeholder Engagement & Materiality Alignment

Our materiality approach is informed by continuous engagement with key stakeholders, including:

Auditors & regulatory bodies ensuring compliance with evolving ESG disclosure requirements.

- Investors who influence long-term sustainability commitments such as diversity, equity, and inclusion efforts and science-based targets.
- Employees & leadership who ensure internal alignment and cultural integration of ESG initiatives.
- Sponsors & clients who rely on our ESG performance as part of their own sustainability commitments.

2. Impact-Driven ESG Strategy

While regulatory compliance remains a baseline requirement, our decision-making has shifted towards prioritizing ESG actions with direct impact. This shift is reflected in how we now approach Scope 3 emissions tracking, where we have moved beyond purely data collection to actively engaging suppliers in real decarbonization efforts.

3. Integration of ESG into Business Operations

ESG is no longer a separate initiative but is embedded into everyday business functions. A key example of this is how our sustainabilitylinked loan targets influenced financial decisionmaking, supplier engagement, and operational investments, ensuring that sustainability is tied to business performance metrics rather than standalone objectives.

- As a result, Scantox utilizes an ESG Reporting approach in which Scope 1 & 2 emissions apply to buildings Scantox owns or has financial control over. The remaining emissions are in Scope 3.

Looking Ahead

As we refine our materiality approach in the coming years, Scantox will continue to adapt and evolve. 2025 will mark a key milestone, as we begin formalizing science-based targets, further aligning our sustainability actions with global climate goals. By staying ahead of industry trends and regulatory shifts, we ensure that ESG at Scantox is not just about minimizing impact - but about creating long-term positive change.

Management's review

Climate Change & Energy

2024 starts our climate change journey as we made significant strides in advancing climate initiatives, clearly demonstrating our real commitment to doing our share globally.

Carbon Footprint & Energy Transition

In 2024, Scantox has significantly reduced its greenhouse gas emissions, achieving milestones that demonstrate the financial and operational benefits of proactive climate action. Our commitment to net-zero emissions by 2030 remains on track, with key improvements in Scope 1, Scope 2, and Scope 3 emissions reductions.

Climate tCO_2e	2024	2023	2022
Scope 1 GHG Emissions	355	453	441
Scope 2 GHG Emissions - Market	45	1.308	1.090
Scope 2 GHG Emissions - Location	23	200	279
Scope 3 GHG Emissions	4.445	5.052	3.137

The most notable achievement of the year is our transition to nearly full Scope 2 carbon neutrality, with only 45 tCO2 remaining, compared to 1,308 tCO2 in 2023. This reduction has been driven by a dual approach - both purchasing 100% green electricity and implementing energy efficiency measures. The impact of previous investments, such as optimized lighting fixtures, a Computerized Technical System to regulate ventilation and lighting, and general efficiency improvements, is now clearly visible. Beyond reducing carbon emissions, these efficiency upgrades have lowered operational costs, delivering a quick return on investment. The financial impact of these climate initiatives is net positive, reinforcing our belief that sustainability is not just an obligation–but a business enabler.

Progress Toward Net-Zero Emissions

While our Scope 2 emissions have been nearly eliminated, we remain focused on phasing out Scope 1 emissions, primarily those linked to natural gas consumption. Our finalized exit plan for natural gas is a crucial next step, though implementation depends on upgrades to heating, ventilation, and air conditioning to support alternative energy sources. Our Scope 1 emissions have already been reduced from 453 tCO2 in 2023 to 355 tCO2 in 2024, a 22% decrease. This progress is largely due to:

- A drop in natural gas use from 408 tCO2 in 2023 to 305 tCO2 in 2024.
- Ongoing monitoring and process optimizations that reduce unnecessary energy consumption.

While we are still reliant on some fossil energy sources, we are actively working toward further reductions in Scope 1 emissions, ensuring that our 2030 net-zero target remains achievable.

Scope 1 & 2 Emission Reduction Initiatives

The combination of energy efficiency measures and renewable energy procurement has led to substantial reductions in Scope 1 and 2 emissions. These efforts include:

- Switching to 100% green electricity, eliminating all Scope 2 emissions related to electricity.
- District heating for certain our Austrian site, accounts for the remaining 45 tCO_2 in Scope 2 emissions.
- Continuing investments in renewable energy infrastructure, with a new solar energy project launching in 2025 to further decarbonize operations.
- Optimizing technical systems for energy use, such as smart lighting, automated ventilation, and improved insulation, to reduce unnecessary consumption.

One of the most significant lessons from our efforts is the clear financial benefits of these climate investments. Reducing energy expenditure through smart efficiency measures has had an immediate cost saving effect, proving that sustainability and business profitability go hand in hand.

Scope 1 tCO_2e	2024	2023	2022
Natural Gas	305	408	392
Mobile Combustion	41	32	28
Industrial Gases	9	13	21

Scope 2 tCO_2e	2024	2023	2022
Electricity	-	1.308	1.090
District Heating	45	-	-

Climate-Related Risks & Business Resilience

While climate risks are a growing concern for many industries, Scantox operates in regions where direct physical climate risks remain relatively low. That said, we continue to monitor potential vulnerabilities and remain prepared to act if needed.

Our current approach to climate risk includes:

- Ongoing assessment of potential climate adaptation needs, with a focus on maintaining business continuity in the event of unexpected disruptions.
- Energy resilience planning, ensuring that our move toward renewable energy also strengthens long-term operational stability.
- Proactive environmental monitoring, particularly around regulatory shifts that could impact business operations in the future.

While we have yet to identify a pressing need for adaptation, we are committed to staying ahead of potential risks and acting swiftly if circumstances change.

Scope 3 Supplier Engagement through Science-Based Targets Initiative

Engaging suppliers in emissions reductions remains one of the biggest challenges in our climate strategy, but we are proud to report that we exceeded our 2024 target for supplier sustainability commitments.

- Our goal was to have six of our top 20 suppliers aligned with Science-Based Targets initiative – we reached seven.
- Scope 3 emissions have decreased from 5,052 tCO_2 in 2023 to 4,445 tCO_2 in 2024, primarily due to reductions in emissions from goods and services.

Much of this progress has been driven by:

- Stronger supplier partnerships, where we actively engage vendors on sustainability commitments.
- Integrating ESG into procurement decisions, ensuring that our supply chain aligns with our emissions reduction strategy.
- Improved data tracking and reporting, allowing for better visibility into Scope 3 emissions sources and trends.

Significant Improvements in Intensity Metrics – Measuring Real Impact

One of the most impressive achievements of 2024 is the substantial reduction in our economic and employee intensity metrics, demonstrating that Scantox is successfully decoupling business growth from carbon emissions. Despite nearly doubling our workforce and expanding our operations through acquisitions, our climate intensity has significantly decreased across key performance indicators:

These reductions reflect not just carbon footprint improvements, but also a more efficient and sustainable business model. Key drivers behind these achievements include:

- Smarter supplier engagement: By working closely with key suppliers, we are indirectly reducing Scope 3 emissions throughout our value chain.
- Conscious energy choices: Not only did we purchase 100% green electricity, but our overall energy consumption also declined, proving that efficiency measures have had a direct financial and environmental impact.
- Strategic expansion: Our acquisitions were integrated seamlessly into our ESG framework, ensuring that our growth did not compromise sustainability.

Scope 3 tCO_2e	2024	2023	2022
Air Travel	61	17	N/A
Rail Travel	0	0	N/A
Hotel Stay	1	N/A	N/A
Waste	430	N/A	N/A
Water	2	N/A	N/A
Goods & Services	3.951	5.035	2.697

Intensity Metrics	2024	2023	2022
Economic Intensity (CO_2/Revenue)	79	233	256
Employee Intensity (CO_2/FTE)	13	32	42

Why These KPIs Matter

While absolute emissions reduction is a crucial climate goal, intensity metrics are even more significant in measuring true ESG progress. Companies naturally grow, hire more employees, and increase their economic output–but our data shows that Scantox is doing so in a way that is progressively less carbon intensive.

For our lenders, investors, and stakeholders, these numbers demonstrate that:

- Our ESG investments are delivering real returns–financially and environmentally.
- We are scaling responsibly while continuing to make sustainability a core business driver. · Scope 3 tracking is not just about data collection – it is about making an impact by ensuring that our emissions intensity is falling, even as we expand.

2025 and Beyond – Expanding

Our Energy Strategy

As we move into 2025, Scantox's approach to climate and energy management will continue to evolve. Having made significant progress in reducing emissions and energy consumption, our next steps will focus on long-term energy resilience, innovation, and supporting local communities.

Monitoring Gas and Phasing Out Fossil Fuels

While we have already reduced our reliance on natural gas, it remains one of the key areas of focus for 2025 and beyond. Our finalized exit plan for natural gas is set for execution in stages, as it requires upgrades to HVAC systems and further energy efficiency measures to ensure a smooth transition.

- Natural gas remains the largest contributor to Scope 1 emissions, and eliminating it will be a crucial step toward full decarbonization.
- We are actively exploring alternative energy solutions to replace natural gas in the most carbon-efficient and financially viable way.
- Regular monitoring and optimization will continue to ensure that we reduce usage wherever possible while preparing for a full phase-out by 2030.

Fossil Energy Sources	2024	2023	2022
Natural Gas (m^3)	205.365	200.309	192.692
Diesel (l)	6.255	6.337	3.434
Petrol (l)	11.977	7.486	6.300
District Heating (kWh)	139	-	-

Non-Fossil Energy Sources	2024	2023	2022
Electricity (mWh)	1.744	2.116	1.763

Our Own Energy Production Begins in 2025

One of the most exciting developments in our Scope 2 energy strategy is the launch of our first on-site renewable energy production.

- In 2025, Scantox will begin generating its own solar energy, reducing reliance on external suppliers and enhancing our energy independence.
- Our expectation is to produce at least 25% of our total electricity needs from self-generated renewable sources.
- This project not only supports further Scope 2 reductions but also improves cost efficiency in the long term. With this initiative, Scantox moves beyond carbon neutrality, taking steps toward actively contributing to the renewable energy transition.

Beyond Net-Zero: Creating a Positive Impact

While our original focus was on reducing our footprint, we are now looking at how we can positively impact our local communities through energy and sustainability initiatives.

- We are exploring partnerships for excess energy redistribution, ensuring that our solar energy production benefits not just our operations but the surrounding areas.
- Additional energy efficiency projects are being evaluated, including battery storage integration to maximize our renewable energy use.
- Scantox aims to contribute to broader industry shifts by sharing best practices and collaborating with local sustainability networks. This shift from "reducing harm" to "creating positive impact" is a strategic evolution for Scantox’s ESG vision.

Electrifying Our Fleet & Expanding

Charging Infrastructure

Another milestone for 2025 is our commitment to low-carbon mobility.

- In 2024, Scantox added its first company electric vehicles, marking the highlighting our support for a natural transition away from fossil fuel-powered transport.

- To support this shift, we have installed additional EV charging stations at our offices, making it easier for employees to adopt electric vehicles as part of our broader sustainability push.

- The goal is to support gradual replacement of fossil fuel vehicles with electric alternatives, ensuring that transportation emissions align with our net-zero strategy.

By integrating sustainable transport solutions, Scantox is making a long-term investment in both emissions reduction and employee sustainability engagement.

Ressources	2024	2023	2022
Natural Gas (m^3)	205.365	200.309	192.692
Diesel (l)	6.255	6.337	3.434
Petrol (l)	11.977	7.486	6.300
Electricity (mWh)	1.744	2.116	1.763
District Heating (kWh)	139	-	-
Waste (tons)[3]	139	396	108
Hazardous Waste (tons)	-	-	-
Water (m^3) [4]	5.109	4.905	3.914

[3] Recycling & Waste Diversion Rates – Data is currently unavailable.
[4] Water Withdrawal & Stress Areas – Water in = water out, covered under "Water" in Resources. Our locations are not in water-stressed areas.

Biodiversity & Ecosystems

We reinforced biodiversity by converting farmland into flower fields, ensuring future expansions that further cultivate natural habitats. By focusing on reducing harmful substances, we shifted from a category B to category C chemical waste, underscoring our dedication to sustainable practices.

Impact of Our Operations on Biodiversity

Biodiversity remains a non-material topic in Scantox's ESG framework, but it is still an area where we proactively engage in voluntary initiatives. While our core operations do not directly contribute to large-scale biodiversity loss, we recognize that land use, ecosystem health, and responsible resource management are areas where we can make a positive contribution. In 2024, we took the first steps toward actively enhancing local biodiversity, demonstrating that even when a topic is not formally material, it can still be a cause for responsible corporate leadership. Our biggest biodiversity initiative this year was the launch of a pilot project to transform our farmland into flower fields, providing a habitat for pollinators and native species.

- A 1-hectare test site was created in 2024, with plans to expand to 7 hectares in 2025.
- The goal is to support local bee populations, enhance soil health, and contribute to ecosystem regeneration.
- This project is a low-intervention, high-impact approach, proving that small efforts can make a meaningful difference in biodiversity conservation.

This initiative demonstrates our evolving sustainability approach–moving from minimizing harm to actively contributing to environmental restoration.

Conservation & Habitat Protection Strategies

Beyond our flower field initiative, Scantox has continued to integrate biodiversity conscious policies into its operations.

- Water and chemical management improvements: We have optimized chemical use in our facilities, resulting in reduced water pollution risks.
- Water pollution per 1t monitoring shows negligible synthetic organic compound releases, reinforcing our commitment to responsible waste handling.
- EU-backed biodiversity projects: We are actively supporting local conservation efforts, ensuring that our presence aligns with regional sustainability goals.

Biodiversity Ha	2024	2023	2022
Total land use	27	27	25
Total built-up area	3	3	3
Total nature-oriented area	1	-	-

Water Pollution t	2024	2023	2022
Synthetic organic compounds	<1	<1	<1

Management's review

Own Workforce

As we nearly doubled our workforce with the acquisition of Scantox Neuro and Gentronix, we reinforced our commitment to collaboration and innovation within our expanding organization.

Employee Growth & Retention – As the Company Nearly Doubled in Size

Scantox's rapid expansion in 2024 has nearly doubled our workforce, growing from 220 employees in 2023 to 403 employees today. This significant increase is the result of strategic acquisitions, which have expanded our geographical presence and capabilities. Despite this rapid expansion, our employee retention and workplace culture remain strong. With 68 new hires and 40 departures, our employee turnover rate has remained stable at 10%, compared to 12% in the previous two years. In a high-growth environment, maintaining this level of stability demonstrates our ability to integrate new employees effectively while keeping long-term talent engaged.

Employees	2024	2023	2022
Headcount	403	220	138
Full-time equivalents	372	213	111
New hires	68	N/A	N/A
Departures	40	N/A	N/A
Employee Turnover Rate (%)	10	12	12
Employee net promoter score	18	50	N/A

One of the most notable workforce-related developments is our Employee Net Promoter Score, which transitioned from 50 in 2023 to 18 in 2024. Maintaining a score of 18 is a strong accomplishment, particularly given that we took over two companies within this calendar year, nearly doubling our workforce. This underscores our resilience and reflects our unwavering commitment to employee engagement and satisfaction:

- The company has nearly doubled in size, meaning that a cultural shift is inevitable as we integrate new teams, new locations, and new ways of working.
- Scaling a company while maintaining employee satisfaction is a known challenge, and we remain committed to understanding and responding to employee feedback to ensure we maintain our strong workplace culture.

Health, Safety & Well-being – A Growing Workforce, A Stable Safety Culture

With a larger workforce and more complex operations, occupational health and safety remains a priority. In 2024, the reported incident rate per FTE improved, dropping from 20% in 2023 to 14% this year. This progress reflects:

- Proactive risk management and safety training initiatives, ensuring that employees are well-equipped to handle their work environment safely.
- Stable absence rates, with 6% absence in 2024, unchanged from 2023.

Importantly, there were zero work-related fatalities, reinforcing our strong safety culture. In 2025 we are committed to utilize cross-sites experience and best practice within health and safety despite different countries. We are convinced that this not only will improve the working environment but also facilitate integration between sites and employee retention and satisfaction.

Training & Development – Investing in Talent

Training and development have been a core focus area in 2024, particularly as Scantox expands its workforce.

- Internships and trainee positions account for 6% of the workforce, up from 5% in 2022. This steady investment in early-career talent helps create a strong pipeline for the future workforce within Scantox.

A key initiative for 2025 will be the launch of a degree-linked administrative training program for employees at select sites, further strengthening our commitment to workforce upskilling.

Diversity, Equity & Inclusion – Making Measured Progress

Diversity at Scantox continues to evolve in line with our legal and stakeholder expectations.

Gender diversity (meaning the least represented gender) in our workforce has increased to 29%, up from 26% in 2023. While this remains an area for ongoing focus, it reflects industry standards.

At the management level (C-1), gender diversity remains balanced at 50%, ensuring that leadership decisions reflect a broad range of perspectives.

Health & Safety	2024	2023	2022
Absence (%)	6%	6%	4%
Reported occupational incidents	51	43	18
Reported Incident Rate, per FTE	14%	20%	16%
Reported occupational incidents, resulting in absence	3	3	3
Incident Absence Rate, per FTE	1%	1%	3%
Work-Related Fatalities	0	0	0

Diversity % least represented gender	2024	2023	2022
Gender Diversity, workforce	29%	26%	26%
Gender Diversity, C-1	50%	50%	50%

Scantox remains committed to ensuring fair wages based on role, education, and collective agreements. Future efforts will focus on enhancing diversity at all levels while continuing to adhere to national and industry regulations on pay equity.

Workforce Distribution – A Global Expansion

With our 2024 acquisitions in Austria and the UK, Scantox has expanded its workforce beyond its traditional bases in Denmark and Sweden.

This shift reflects Scantox growing international presence, requiring us to harmonize workplace policies across multiple jurisdictions while maintaining a consistent corporate culture.

Workforce Age & Tenure – A Balanced Team

Scantox continues to maintain a healthy distribution of workforce experience, ensuring a blend of new perspectives and long-term expertise.

Additionally, our workforce tenure data highlights a good balance between new hires and long-term employees:

These numbers reflect a stable workforce, with a mix of new hires driving innovation and established employees providing expertise and continuity.

Headcount by Country	2024	2023	2022
Denmark	184	175	116
Sweden	48	43	21
United States of America	2	1	0
United Kingdom	59	0	0
Austria	109	0	0
Other	1	1	1

Age	2024	2023	2022
<30	89	N/A	N/A
30 to 50	230	N/A	N/A
>50	85	N/A	N/A

Tenure	2024	2023	2022
<1	24	N/A	N/A
1-3	133	N/A	N/A
3-5	125	N/A	N/A
5-10	48	N/A	N/A
10+	73	N/A	N/A

2025 and Beyond – Growing as One Scantox

As Scantox continues to expand, our priority is to maintain the strong culture and professional environment that has made our company a great place to work. Our workforce now spans multiple countries - Denmark, Sweden, Austria, UK, and USA, but we remain one Scantox – a company built by professionals in the same industry, working toward the same mission, across all locations.

Looking ahead, 2025 will be a continuation of our successful approach. We will:

- Continue investing in training and professional development, ensuring that all employees have the tools and support they need to grow within the company.
- Monitor our workplace culture and employee satisfaction, making sure that our expansion continues to improve and strengthen Scantox.
- Refine and enhance our data collection, giving us a clearer picture of how our teams are evolving and where we can make further improvements.

Our company has undergone rapid change, but our commitment to a strong, unified culture remains unchanged. By staying data-driven, engaged with our employees, and proactive in workforce development, we will ensure that Scantox continues to be an excellent place to work, no matter how much we grow.

Training & Development	2024	2023	2022
Employees Receiving Regular Performance Reviews (%)	100%	100%	100%
Trainees or interns (% of workforce)	6%	6%	5%

Management's review

Business Conduct & Ethics

Driving stronger governance, we fostered a positive, flexible workplace by thoroughly reviewing global policies before extending them to all sites in 2025.

Governance & Ethical Leadership – A Strong and Evolving Framework

Scantox continues to strengthen its governance structure, ensuring that business integrity, transparency, and ethical leadership remain at the core of our operations.

- Board gender diversity has improved, with 20% of board seats now occupied by women–a significant step from 0% in previous years.
- The size of the board has adjusted to 5 members in 2024, following the growth and structural changes in the company.
- 60% of board members are independent, ensuring that governance remains objective and aligned with best practices.

Governance Aspect	2024	2023	2022
Board Size	5	6	4
Independent Board Members (%)	60	66	50
Gender Diversity (Board) (%)	20	0	0
Executive Leadership Gender Diversity (%)	50	50	50

Executive leadership gender diversity remains stable at 50%, reflecting our commitment to balanced representation at the highest levels of decision-making. As Scantox continues to expand, our governance framework will evolve to ensure that our policies are not just regulatory obligations but tools for creating a better business environment.

Policies, Compliance & Ethical Conduct – A Record of Integrity

Ethical business practices remain a cornerstone of Scantox corporate culture.

- No cases of corruption or bribery were reported in 2024, marking another year of strong compliance with our ethical standards.
- Whistleblower protections remain in place, and while no cases were reported, we continue to promote awareness of this channel to ensure employees feel safe reporting any concerns.

While anti-corruption training has not yet been implemented, it remains an area we intend to strengthen in the future to further align with global compliance expectations.

Ethical & Compliance Metrics	2024	2023	2022
Corruption or Bribery Cases	0	0	0
Anti-Corruption Training (% of employees)	0	0	0
Whistleblower Cases Reported	0	0	0

Cybersecurity & Data Protection – A Proactive Approach

As Scantox expands its digital operations, data security and privacy remain a top priority. A growing workforce, increased ESG reporting requirements, and evolving regulatory landscapes require a strong cybersecurity framework that ensures both compliance and resilience.

In 2024, we reinforced our cybersecurity and data protection strategy by implementing new oversight measures, expanding employee training, and ensuring GDPR compliance across all sites. Key highlights include:

- No data breaches or GDPR violations occurred in 2024, demonstrating a strong risk management approach and secure handling of sensitive data.
- Company-wide GDPR oversight has now been fully established, marking an important improvement from 2023, when policies were still being refined.
- 92% of employees completed cybersecurity training, ensuring that best practices in digital security and data privacy are embedded throughout the organization.

With a larger, more geographically diverse workforce and greater reliance on digital systems, we will continue to enhance our cybersecurity posture in 2025, ensuring that our systems, employees, and policies remain aligned with industry best practices.

ESG Innovation Spotlight: AI & Digitalization in ESG Reporting

As part of our commitment to continuous improvement, Scantox has leveraged AI-driven ESG digitalization to enhance the accuracy, efficiency, and accessibility of our sustainability reporting.

Cybersecurity & Data Privacy	2024	2023	2022
Data Breaches	0	0	0
Cybersecurity training (% of employees)	92	0	0
GDPR Breaches	0	0	0
GDPR Policies in Place	Y	N	N

Through automation, data analytics, and AI-driven insights, we have strengthened real-time ESG reporting, ensuring that decision making is informed by accurate and up-to-date information. As we continue integrating technology into our ESG framework, we will explore further digital solutions to enhance reporting accuracy, improve compliance tracking, and drive sustainability performance across all locations.

Supply Chain & Business Conduct – Strengthening ESG Integration

Scantox is committed to strengthening local partnerships and ensuring that ESG principles are embedded throughout our supply chain.

- 66% of our suppliers are local, highlighting our dedication to supporting regional economies and reducing environmental impacts associated with long-distance transportation.
- By prioritizing local sourcing, we enhance supply chain resilience, foster stronger relationships with regional suppliers, and contribute to economic stability within our operating markets.

ESG Oversight, Reporting, and Assurance – Strengthening Transparency & Governance

As ESG becomes an integral part of Scantox long-term strategy, we have strengthened internal oversight, external validation, and risk management to ensure that our sustainability commitments remain credible and impactful. In 2024, we took significant steps to align our ESG reporting with industry best practices and external validation standards, ensuring that our commitments are backed by transparent, datadriven governance.

Strengthening ESG Oversight & Reporting

- Our ESG committee is established, ensuring that sustainability efforts are strategically aligned with business goals.
- We fully implemented ESG-related risk assessments, providing greater visibility into potential risks and opportunities across all locations.
- Our global ESG policies are now undergoing final refinements to ensure they enable rather than restrict sustainability initiatives at our new sites in the UK and Austria.

Expanding ESG Assurance & External Validation

- In 2024, we introduced external validation for our Sustainability-Linked Loan KPIs, ensuring that our emission reduction and supplier engagement targets meet rigorous sustainability standards.
- Looking ahead to 2025, we will evaluate the feasibility of obtaining limited assurance for the entire ESG report, ensuring that our disclosures remain trustworthy and investor aligned.
- This process will be guided by stakeholder expectations, industry standards, and regulatory developments, ensuring that our ESG assurance strategy supports Scantox longterm credibility and transparency.

Our approach remains pragmatic and impactdriven we do not implement ESG policies for compliance alone but to drive meaningful business value. By strengthening internal governance and external validation, we ensure that Scantox remains a trusted leader in ethical and sustainable business practices.

Supply Chain & Business Conduct[6]	2024	2023	2022
Percentage of Local Suppliers (%)	66	N/A	N/A
Sustainable Procurement Policies in Place	Y[7]	N	N

[6] Compliance data for the Supplier Code of Conduct will be included in the 2025 reporting cycle as data collection processes are finalized.
[7] Supplier audit data is currently unavailable and is expected to be reported starting in the 2025 reporting cycle.

ESG Oversight & Reporting	2024	2023	2022
ESG Committee Established	Y	Y	N
ESG Targets Linked to Executive Compensation	N	N	N
ESG-Related Risk Assessments Conducted	Y	N	N

2025 and Beyond – A Policy-Driven Future

As we continue into 2025, our focus will be on refining and strengthening our global policies to ensure they support our growing company rather than restrict it.

- Finalizing the integration of global ESG policies, ensuring they work as an enabler rather than a regulatory burden for our new sites.
- Maintaining our record of integrity, with continued emphasis on whistleblower protections, cybersecurity, and ethical supply chain management.
- Expanding ESG-related training programs, including anti-bribery, anti-corruption, and ethical business practices, to further reinforce a strong compliance culture across all locations.

ESG is not just a compliance requirement for Scantox–it is a strategic tool that helps us build a stronger, more responsible company. Our governance and ethical leadership ensure that we remain a trusted partner in the industry, now and in the future.

Topic	Existing Sustainability Policies or Initiatives[8]	Target included
Climate Change	Yes	Yes
Pollution	Yes	No
Water and Marine Resources	No	-
Biodiversity and Ecosystems	No	-
Circular Economy	Yes	No
Own Workforce	Yes	Yes
Employees in the Value Chain	Yes	Yes
Affected Local Communities	No	-
Customers and End Users	No	-
Business Conduct	Yes	Yes

[8] Policies and internal documents referenced in this report are for internal use only and are not publicly available.

Management’s review

Governance

Scantox recognizes that our certifications play a pivotal role in shaping our livelihood and defining our commitment to excellence. Each day, we dedicate ourselves to upholding and surpassing the national and international standards set by these certifications. We are proud to confirm that every certification we pursue, we successfully obtain.

Further, we are regularly inspected by our national and international clients for quality as required by the regulatory bodies.

Our focus of continuous improvement underscores our dedication to being the best we can be, as we strive to align our practices with the highest benchmarks in our industry.

Animal Welfare and the 3Rs

Animal welfare remains a top priority for Scantox Group, underpinned by our commitment to the 3Rs - Replace, Reduce and Refine. With our acquisition of QPS Neuro (now Scantox Neuro) in 2024, we added an AAALAC-addredited faciltiy to our portfolio. This accreditation confirms the high animal welfare, environmental, and health standards embedded at Scantox Neuro, guiding us as we pursue similar accreditations across additional sites.

As part of our dedication to continuous improvement, we have invested in refurbishing a facility at our Ejby location to address the long-term housing needs of non-rodent species. This new facility expands our capacity for non-rodents and provides them with greater outdoor access and group exercise areas. Slated to open in 2025, it will be available to all customers seeking non-rodent studies.

In 2025, Scantox will continue engaging with scientific and industry communities through conferences and congresses that focus on laboratory animal welfare. Beyond staying informed on emerging developments, we will share insights into our own animal welfare initiatives and procedures - demonstrating our commitment to raising standards and contributing to broader industry knowledge.

Management's review

Corporate Governance

Financial Risk & Governance

Operating in a highly regulated environment and supporting major pharmaceutical clients, Scantox operates in a complex environment and continuously exposed to a broad array of operational and financial risks.

Governance

Risk management is an integrated part of the daily activities and operations and is managed through a two-tier governance structure with the Executive Management and Board of Directors.

The Executive Management is responsible for the daily management of the Group and the Board of Directors is responsible for the overall strategic development and supervision of the management, guided by the yearly board wheel. The Board of Directors plan 6 yearly regular Board meetings, including a yearly strategy review day and allow time for extraordinary meetings then required. The Board conducts an annual evaluation of the Board performance - including an evaluation of the Chair and the cooperation with the Executive Management. To facilitate the high growth ambition of Scantox a frequent and close interaction between owners, board and management has been established, following Impilo´s guidelines. On top of the yearly Board wheel, a bi-weekly informal status meeting is held between the CEO, CFO, chairman and owner and a monthly Performance review is performed between board and management.

To ensure a succesfull integration of the transformational acquisitions of Scantox Neuro and Gentronix a bi-weekly informal status meeting is held between the CEO, CFO, local management, chairman and owner.

To ensure a constant focus on our ESG efforts, a committee consisting of the Head of ESG and members of the Executive and Group Management has been formed to discuss progress on a bi-weekly basis and reporting to the board on a quarterly basis. The committee reports to Site Managers on a monthly basis with standardized ESG performance data to be discussed with the Head of ESG. In addition, ESG is a deep-dive topic for one of our annually scheduled board meetings to discuss strategic ESG initiatives and goals.

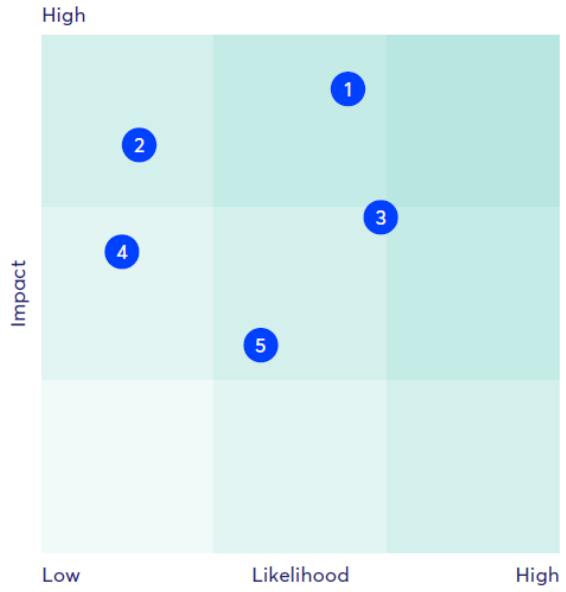
Key Operational and Financial Risks

- Commercial Risk
- Product Supply and Quality Risks
- IT security Risks
- Financial Risks
- Scantox ability to attract new employees

Key Operational and Financial Risks

	Risk ares	Description	Impact	Mitigation actions
1	**Commercial Risk**	Despite being less dependent on macroeconomic development and economic cycles, economic factors can change customer prioritization or reduce the available funding for further development and can lead to lower intake of new projects.	• Potential delay in sales or lower sales and profit.	• Close interaction with customers and active business development together with a well-diversified service offering.
2	**Product Supply and Quality Risks**	Disruption of product supply due to, e.g., geopolitical instability or quality failures may comprise the availability of tests.	• Potential delay or missing sales and profit for customers.	• Avoiding single supplier delivery on key products in our supply chain.
3	**IT security Risks**	Disruption to IT systems, such as cyber-attacks or infrastructure failure, resulting in business disruption or breath of data confidentiality.	• Could limit our ability to produce and safeguard product quality. • Could compromise patients' or other individuals' privacy. • Could limit our ability to maintain operations or limit future business opportunities if proprietary information is lost. • Could have an adverse impact on sales, profits and market position.	• Company information security awareness activities. • Contingency plans for non-availability of IT systems. • Internal audit of IT security controls. • Detection and protection mechanisms in IT systems and business processes.
4	**Financial Risk (Currency Risks, Interest Rate Risks, Liquidity Risks and Credit Risks)**	Interest rate fluctuations Exchange rate fluctuations (mainly in GBP and and USD) Disputes with tax authorities and changes to tax legislation and interpretations.	• Could have an adverse impact on sales, profits and market position. • Could have an adverse impact to cash flow and liquidity • Could lead to significant tax adjustments, fines and higher than expected tax level.	• Centralization of financial risks in the Group´s finance function, which also servces as a service center for all subsiduaries. • Variable interest rate in the financing agreement is to a wide extent hedged by a fixed rate interest rate swap • Currency risk is to a large extent naturally hedged by having revenue and cost in the same currencies. Main currency risk is from USD denominated customer contracts. There is no USD hedge in place as the risk is considered manageble.
5	**Scantox ability to attract new employees**	The competition for employees within Life Science is challenging and could limit the ability to attract potential new employees.	• Limit the companies ability to growth.	• Establish good connections to educational institutions • Provide opportunities to grow and develop as an employee in a fast growing international environment

Key operational risks



Board of directors

	Jens Bager	Nicholas Hooge
Education	MSc in Economics and Business Administration	MSc in Business Administration and Management Science
Past and present	Since 2016 Jens Bager has focused on non-executive directorships and has been Chair of a number of companies including Ambu A/S and the Grundfos Foundation. He currently serves as Chair for Better Collective A/S, Scantox A/S and Marleybones Ltd. Other assignments include member of the board of Apto Invest ApS, Apto Advisory ApS, Tandlagen.dk and Symmetry Administration ApS.	Nicholas joined Impilo as partner in 2020 and is a member of Impilo's investment committee. Prior to this he was a Senior Director at EQT Partners where he worked from 2006-2019, based both in Copenhagen and New York with a focus on private equity and infrastructure investments. From 2004-2006 Nicholas worked for Deutsche Bank in London focusing on M&A in the Nordic countries.
Member	Chair of the board since: 2021	Member of the board since: 2021

Management's review

Management Team

Executive Management, Scantox Group

	Jeanet Løgsted	Martin Amtoft-Christensen
Position	**Chief Executive Officer**	**Group Chief Financial Officer**
Education	MSc Pharm, PhD.	MSc Economics.
Past and present	Jeanet Logsted has 30+ years of work experience with drug development from the preclinical contract research organization perspective as well as pharma (LEO Pharma) with different managerial and client facing positions. She was the site manager during late part of the Citoxlab area and during the Charles River ownership, before actively part of the re-funding and establishment of Scantox Group.	Martin Amtoft-Christensen has 20+ years of international CFO experience. Prior to joining Scantox he worked within professional services as CFO for Textilia A/S and Allianceplus A/S and prior to that as Director of Shared services and member of the Executive Board in Berendsen Plc.
With Scantox since	**2005**	**2022**

Management's review

Management Team

Group Management, Scantox Group



	Andy Brown	Manuela Prokesch	Lone Bruhn Madsen
Position	**Chief Commercial Officer**	**Chief Operating Officer Discovery**	**Chief Scientific Officer, Discovery**
Education	MBA.	MSc, PhD.	MSc. Eng. Biotech, PhD.
Past and present	Andy Brown has 15+ year's experience in the contract research industry serving in both commercial and operational leadership roles. Most recently, at AltaSciences (formerly Sinclair Research) he served as the VP of Commercial Operations from 2018-2021 and GM from 2021-2023. Prior to Altasciences, Andy served as Global Vice President of Strategic Accounts at Envigo.	Joining the company (formerly known as JSW and QPS Neuropharmacology) in 2001 as PhD student, Manuela Prokesch held various positions including Head of Animal Facility and Quality Assurance. In 2022 she took over the position of Director of Neuro-pharmacology and proxy of QPS Austria. Since April 2024 she is one of the managing directors of Scantox Neuro and serves as COO of the Discovery division within the Scantox Group.	Lone Bruhn Madsen has over 20 years of experience within life science, both in academia with a focus on translational genetics within various diseases and in the private industry (Cryos International and Sanofi Aventis). Prior to joining Scantox she was one of the owners and the CEO of Scantox' site located in Lund, Sweden, which is now a part of the discovery division. She is now responsible for the scientific development within the discovery division.
With Scantox since	**2023**	**2024**	**2022**



	Mette Ellemann-Søtofte	Mikkel Lykke Krarup	Matt Tate
Position	**Chief Operating Officer Regulatory Toxicology**	**Chief Scientific Officer Regulatory Toxicology**	**Managing Director Gentronix Ltd**
Education	MSc Pharm.	DVM.	PhD.
Past and present	Since completing her degree in Pharmacy Mette Ellemann-Søtofte has worked in the pharmaceutical sector in different companies (LEO Pharma, Novo Nordisk), and for the past 19 years in different management positions. Mette has been with Scantox for 12 years over two periods and is now responsible for Operations and also Test Facility Management for the Ejby site. Also, Mette heads the Health and Safety Group.	Mikkel Lykke Krarup has 15 years of experience within Life Science. Prior to joining Scantox, he worked in academia with animal models to study human pediatric nutrition and malnutrition. He has held several positions in Scantox and is now responsible for scientific development as well as animal welfare. Mikkel is a member of the Danish Animal Experiment Council where he has been appointed by Danish Industry.	Matt Tate is an experienced genetic toxicologist, with 18 years of experience in working within contract research supporting pharmaceutical and chemical industries. For the past 7 years he has led the Gentronix business, scaling the capacity and capabilities of the business. Following the acquisition of Gentronix by Scantox Group, Matt continues to lead the Gentronix business.
With Scantox since	**2005-2012 and 2020**	**2013**	**2024** (from 2006 with Gentonix)

Consolidated Financial Statements

Consolidated Statement of Comprehensive Income

EUR thousand	Note	Year ended December 31, 2024	2023
Revenue	2.1	47,457	29,251
Raw materials and consumables	2.2	(7,399)	(5,667)
Personnel costs	2.3	(23,509)	(13,683)
Other operating expenses	2.4	(5,759)	(4,631)
EBITDA before special items		**10,790**	**5,270**
Special items	2.5	(7,874)	(1,419)
Amortization, depreciation and impairment	3.2	(9,608)	(2,450)
EBIT		**(6,692)**	**1,401**
Net financial expenses	2.6	(4,947)	(309)
Profit before income tax		**(11,639)**	**1,092**
Income taxes	2.7	1,053	190
Income/(loss) for the year		**(10,586)**	**1,282**
Other comprehensive income that may be reclassified to profit or loss in subsequent periods			
Loss on cash flow hedges		(680)	-
Exchange differences on translation of foreign operations		476	102
Income tax relating to these items		150	-
Other comprehensive income / (loss) for the year		**(54)**	**102**
Total comprehensive income / loss for the year		**(10,640)**	**1,384**
The income/(loss) for the year is attributable to:			
Owners of Scantox Denmark ApS		(10,586)	1,282
The total comprehensive income/(loss) for the year is attributable to:			
Owners of Scantox Denmark ApS		(10,640)	1,384

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

(in EUR thousand)	Note	As of December 31, 2024	2023
ASSETS			
Non-current assets			
Goodwill	3.1	75,067	4,103
Other intangible assets	3.1	50,091	2,169
Property, plant and equipment	3.2	25,155	13,137
Deferred tax assets	2.6	4,122	2,073
Total non-current assets		**154,435**	**21,482**
Current assets			
Inventories	3.4	1,470	390
Trade receivables	3.5	10,049	3,807
Contract assets	2.1	2,754	1,531
Income tax assets		-	127
Other current assets	3.3	4,977	671
Cash and cash equivalents		10,877	1,034
Total current assets		**30,127**	**7,560**
Total assets		**184,562**	**29,042**

EQUITY AND LIABILITIES			
Equity			
Share capital	4.1	5	5
Share premium		61,103	-
Other reserves		(70)	(16)
Retained earnings		(5,219)	5,367
Total equity		**55,819**	**5,356**
Non-current liabilities			
Non-current borrowings	4.2	86,875	6,621
Deferred tax liabilities	2.7	12,165	440
Other non-current liabilities	3.6	1,390	753
Total non-current liabilities		**100,430**	**7,814**
Current liabilities			
Current borrowings	4.2	8,179	7,719
Contract liabilities	2.1	6,403	1,921
Trade payables		5,890	1,977
Income tax payables		1,194	590
Other current liabilities	3.6	6,647	3,665
Total current liabilities		**28,313**	**15,872**
Total liabilities		**128,743**	**23,686**
Total equity and liabilities		**184,562**	**29,042**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

EUR thousand	Note	Year ended December 31, 2024	2023
Profit / (loss) before income tax		(11,639)	1,092
Amortization, depreciation, and impairment		9,608	2,450
Finance income	2.6	(105)	(219)
Finance costs	2.6	5,052	528
Changes in inventories		(154)	16
Change in trade receivables		(1,683)	(534)
Change in trade payables		1,933	418
Change in other assets and liabilities		(6,616)	(2,585)
Interest paid		(4,430)	(520)
Income taxes paid		(927)	(571)
Net cash flows from operating activities		**(8,961)**	**75**
Acquisitions of subsidiaries, net of cash acquired	5.1	(111,313)	(3,855)
Purchase of property, plant and equipment	3.2	(7,346)	(4,386)
Purchase of intangible assets	3.1	(911)	(50)
Net cash flows used in investing activities		**(119,570)**	**(8,291)**
Contribution to capital reserves		61,103	-
Proceeds from borrowings	4.3	80,919	11,288
Repayment of borrowings	4.3	(2,014)	(3,703)
Payment of principal portion of lease liabilities	4.3	(1,666)	(886)
Net cash flows from financing activities		**138,342**	**6,699**
Net increase in cash and cash equivalents		9,811	(1,517)
Net foreign exchange difference		32	(17)
Cash and cash equivalent at 1 January		**1,034**	**2,568**
Cash and cash equivalent at 31 December		**10,877**	**1,034**

The above cannot be derived directly from the income statement and the balance sheet

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

EUR thousand	Note	Share Capital	Share premium	First-time adoption reserve	Cash flow Hedge reserve	Foreign currency translation reserve	Retained earnings	Total equity
Equity at December 31, 2022		**5**	**-**	**(10)**	**-**	**(108)**	**4,085**	**3,972**
Income / (Loss) for the year		-	-	-	-	-	1,218	1,218
Other comprehensive income / (Loss) for the year		-	-	-	-	102	-	102
Total Comprehensive income / (Loss) for the year		**-**	**-**	**-**	**-**	**102**	**1,218**	**1,384**
Capital Increase	4.1	-	-	-	-	-	-	-
Equity at December 31, 2023		**5**	**-**	**(10)**	**-**	**(6)**	**5,367**	**5,356**
Income / (Loss) for the year		-		-	-	-	(10,586)	(10,586)
Other comprehensive income / (Loss) for the year		-		-	(530)	476	-	(54)
Total Comprehensive income / (Loss) for the year		**-**	**-**	**-**	**(530)**	**476**	**(10,586)**	**(10,640)**
Contribution to capital reserves	4.1	-	61,103	-	-	-	-	61,103
Equity at December 31, 2024		**5**	**61,103**	**(10)**	**(530)**	**470**	**(5,219)**	**55,819**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statement

Section 1

Note 1.1

Corporate information

The annual consolidated financial statements of Scantox Denmark ApS (‘Scantox’ or the ‘Parent Company’) and its subsidiaries (collectively, the ‘Group’) for the year ended December 31, 2024 were authorized for issue in accordance with a resolution of the Board of Directors on 23 April 2025.

The parent company is a limited liability company incorporated and domiciled in Denmark. The company’s registered office address is Hestehavevej 36A, DK-4623 Lille Skensved, Denmark.

The Group, also through its subsidiaries, operates in pre-clinical research services.

Note 1.2

Material accounting policy information

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements of the Group for the year ended December 31, 2024 have been prepared in accordance with IFRS Accounting Standards - IFRS® (hereinafter ‘IFRS Accounting Standards’ or ‘IFRS’) as adopted by the European Union (EU), and additional disclosure requirements of the Danish Financial Statements Act applying to medium reporting class C entities. The accounting policy is unchanged since prior year.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The consolidated financial statements have been prepared on a historical cost basis, except regarding the measurement of financial assets and liabilities, where application of the fair value criterion is required.

The consolidated financial statements are presented in euros (EUR) due to Group´s international relations and all values are rounded to the nearest thousand (€000), except when otherwise indicated.

Presentation of accounting policies

Material accounting policies related to specific line items are included in the notes related to these items.

Defining materiality

The consolidated financial statements are a result of processing large numbers of transactions and aggregating those transactions into classes according to their nature or function. When aggregated, the transactions are presented in classes of similar items in the consolidated financial statements. If a line item is not individually material, it is aggregated with other items of a similar nature in the consolidated financial statements or in the notes. There are substantial disclosure requirements throughout IFRS Accounting Standards.

Management provides specific disclosures required by IFRS Accounting Standards unless the information is considered immaterial to the economic decision-making of the intended users of the consolidated financial statements or not applicable.

Translation of foreign currencies

The functional currency of the Parent is the Danish krone (DKK) and for each of the reporting entities in the Group, a functional currency is separately determined. The functional currency is the currency used in the primary financial environment in which the reporting entity operates. Transactions denominated in other currencies than the functional currency are foreign currency transactions. On initial recognition, foreign currency transactions are translated into the functional currency using the exchange rates 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, payables, and other monetary items denominated in foreign currencies are translated into the functional currency using the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or the exchange rates in the latest annual report is recognised in the income statement as financial income or financial expenses.

On consolidation, the assets and the liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into EUR at the exchange rates at the reporting date. The income statements and statement of cash flows of foreign operations are translated into EUR at average exchange rates for the period, unless such average exchange rates are unrepresentative of the exchange rates prevailing at the transaction dates, in which case the transaction date exchange rates are applied.

The exchange rate arising on translation for consolidation are recognized in other comprehensive income. On disposal of a foreign operation, the component other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of December 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group ceases to control the subsidiary.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Entities disposed of are recognised in the consolidated statement of profit or loss until the date of disposal.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent company. When necessary, the financial statements of subsidiaries are adjusted to align their accounting policies with those of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows arising from transactions between group entities are fully eliminated on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value hierarchy in 2024 is level 2 for EUR 680 thousand (derivative financial instruments).

Contingent consideration, resulting from business combinations has been measured at fair value at the acquisition date as part of the business combination and subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows (Level 3) and the key assumptions take into consideration the probability of meeting each performance target and the discount factor.

Cash flow statement

Cash flow generated by operating activities has been reported using the “indirect method” and the Group has chosen to present interest paid as operating cash flows.

Alternative performance measures

Scantox presents certain financial measures of the Group's financial performance, financial position and cash flows that are not defined according to IFRS Accounting Standards.

These non-IFRS Accounting Standards financial measures may not be defined and calculated by other companies using the same method and may not be comparable.

The financial measures should not be considered as a replacement for performance measures as defined under IFRS Accounting Standards, but rather as supplementary information.

Calculation of key figures and financial ratios

EBITDA before special items	Operating income/(loss) EBIT adjusted for amortization, depreciation, impairment losses and special items
EBIT	Operating income / (loss)
Working capital	Inventories and trade receivables less trade payables

Note 1.3

New and amended standards and interpretations

In the context of the IFRS Accounting Standards transition, the Group applied for the first-time the IFRS Accounting Standards effective for annual periods beginning on 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New standards issued by the International Accounting Standards Board (IASB) and endorsed by the European union (EU) but not yet effective

- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024)

The Group does not expect any material impact from the adoption of these amendments.

New standards, amendments, clarifications and interpretations issued by IASB but not yet endorsed by EU

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)

The Group does not expect any material impact from the adoption of these amendments.

Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.

- Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk, such as climate-related legislation and regulations. Even though the Group has concluded that no single climate-related assumption is a key assumption for the 2024 test of goodwill, the Group considered expectations for increased costs in the cash-flow forecasts in assessing value-in-use amounts.

Note 1.4

Significant accounting estimates and judgments

In preparation of the consolidated financial statements, Management makes various accounting estimates and judgments that form the basis of presentation, recognition and measurement of the Group's assets, liabilities, income and expenses. The key accounting estimates identified are those that have a significant risk of resulting in a material adjustment to the carrying amounts of assets or liabilities within the next financial year.

The application of the Group's accounting policies may require Management to make judgments that can have a significant effect on the amounts recognized in the consolidated financial statements. Management judgment is required in particular when assessing the substance of transactions that have a complicated structure or legal form. The accounting estimates and judgments made are based on historical experience and other factors that Management assesses to be reliable, but that, by nature, are associated with uncertainty and unpredictability and may therefore prove incomplete or incorrect, and unexpected events or circumstances may arise. Management judgment is required in particular when assessing the substance of transactions that have a complicated structure or legal form. The Group is also subject to risks and uncertainties that may lead to actual results differing from these estimates, either positively or negatively.

Assumptions about the future and the estimation of uncertainties at the balance sheet date are described in the notes when there is a significant risk of changes that could result in a material adjustments to the carrying amounts of assets or liabilities within the next financial year.

Management considers the key accounting estimates and judgements used in the preparation of the consolidated financial statements relating to the following:

- Note 3.1 Goodwill
- Note 5.1 Business combinations
- Note 2.1 Revenue
- Note 2.5 Special items

Section 2

Note 2.1

Revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

EUR thousand	2024	2023
Nordic	25,621	17,565
Europe (ex. Nordic)	11,784	8,325
Rest of the world	10,052	3,361
Total	**47,457**	**29,251**

Revenues are attributed to the regions on the basis of the customer's location.

EUR thousand	2024	2023
Contract balances		
Trade receivables	10,049	3,807
Contract assets	2,754	1,531
Contract liabilities	6,403	1,921
Total	**19,206**	**7,259**

Accounting policies

Revenue

Scantox earn revenues by providing a number of different services to the clients. These services, which are integral elements of the pre-clinical research process, include providing the pre-clinical research report and archiving of the materials.

Pre-clinical research and discovery services (95% of the total revenue) are a single performance obligation satisfied over time and promises offered to the customer are not distinct within the context of the contract.

The transaction price is determined by reference to the contract or change order value adjusted to reflect a realisable contract value. Consideration in the contract does not include any variable amounts.

Revenue is recognised using a percentage-of-completion method based on costs incurred to measure its progress (i.e., cost-to-cost). The progress towards completion for clinical service contracts is measured therefore based on an input measure being total project costs at each reporting period. Assessment of completion requires an evaluation of labour and related time cost incurred at the reporting date.

Payment is generally due within 30 to 60 days.

Significant accounting estimates and judgement

Revenues related to pre-clinical research report are recognized over time based on the input method of measuring progress toward complete satisfaction of the related performance obligation, calculated as a proportion of the overall revenue expected for the contract equal to the ratios of costs incurred during the study phase. Management has exercised judgement in determining the actual cost incurred, as well as the timing of revenue recognition.

Accounting policies

Contract assets and contract liabilities

Contract assets relate to revenue earned from ongoing services. As such, the balances of this account vary and depend on the number of ongoing services at the end of the year. Contract liabilities include customer advances received to render services.

The acquisition of subsidiaries also resulted in an increase in contract assets of 1,750 in 2024 (2023: nil)and contract liabilities of EUR 3,660 thousand in 2024 (2023: EUR 43 thousand).

Of revenue recognized for the fiscal years ended December 31, 2024 and 2023, the balances included in contract liabilities at the beginning of the respective years were EUR 1,922 thousand and EUR 4,257 thousand respectively. Unsatisfied performance obligations are expected to be recognized within one year. In addition, for the fiscal years ended December 31, 2024 and 2023, there is no significant revenue recognized from the performance obligation satisfied in the previous periods.

Note 2.2

Raw materials and consumables

EUR thousand	2024	2023
Raw materials and consumables		
Purchased raw materials and consumables	7,240	5,594
Change in inventories	159	73
Total	**7,399**	**5,667**

Note 2.3

Personnel costs

EUR thousand	2024	2023
Personnel Expenses		
Wages and salaries	19,704	11,797
Pensions	1,992	1,717
Social security	1,150	161
Other personnel expenses	663	8
Total	**23,509**	**13,683**

Average number of full time-employees:	372	213

EUR thousand	2024	2023
Key management personnel		
Fees to Executive Board	623	767
Fees to Board of Directors	40	34
Total	**663**	**801**

Remuneration of Key Management Personnel

Executive board also met the definition as being the key management personnel for Scantox.

Total fees to key management personnel, comprising members of the Executive Board amounted to EUR 623 thousand, of which pension amounting to EUR 51 thousand.

Employee benefits include fixed-base salary and accrued cash bonuses designed to incentivize individual performance and the achievement of a number of predefined short-term functional and individual business targets. For the financial years ending December 31, 2024 and December 31, 2023, key management personnel consisted of the Executive Board.

Note 2.4

Other operating expenses

EUR thousand	2024	2023
Other Operating Expenses		
Consultants and IT services	2,487	1,364
Maintenance	1,214	788
Utilities	1,325	674
Insurance	370	211
Other operating expenses	363	1,594
Total	**5,759**	**4,631**

Note 2.5

Special items

EUR thousand	2024	2023
Special items		
Business combinations	6,590	1,150
One-off personnel costs	1,284	269
Total	**7,874**	**1,419**

Accounting policies

Special items comprise amounts that are not considered to be attributable to recurring operations, such as income and expenses related to business combinations and fair value adjustments to contingent considerations relating to business combinations resulting from events after the acquisition date.

Significant judgments and accounting estimates

The use of special items entails Management judgement in the separation form other items in the statement of comprehensive income. Management considers such items in order to present a distinction between the operating activities and restructuring of the Group carried out to enhance the future earnings potential. All income and costs presented under “Special items” are directly derived from the books and records monitored by Management to ensure that only amounts meeting the criteria of being a non-recurring nature and not related to recurring operations are included.

Note 2.6

Financial income and expenses

EUR thousand	2024	2023
Net financial expenses		
Interest expenses	4,407	434
Interest on lease liabilities	150	86
Foreign exchange rate differences	398	(205)
Other financial expenses	2	8
Interest income	(10)	(14)
Total	**4,947**	**309**

Accounting policies

Financial income and expenses comprise interest income and interest expenses and interest component of lease payments), foreign exchange rate differences related to items denominated in foreign currencies.

Note 2.7

Income taxes and deferred tax

EUR thousand	2024	2023
Income taxes		
Current tax for the year	1,630	587
Deferred tax for the year	(2,861)	(785)
Prior year adjustments	178	8
Total	**(1,053)**	**(190)**

EUR thousand	2024	2023
Theoretical income taxes at the Company tax rate of 22%	(2,561)	240
Prior year adjustments	178	8
Deviation in tax in foreign companies in relation to Danish tax rate	(52)	(27)
Permanent and other differences	1,382	(411)
Effective tax rate	**10%**	**-17%**
Income taxes	**(1,053)**	**(190)**

Deferred taxes

EUR thousand	**2024**	**2023**
Deferred tax assets		
Deferred tax at 1 January	**2,073**	**1,333**
Additions from acquisitions	-	7
Change in deferred taxes – recognized in comprehensive income	150	-
Change in deferred taxes – recognized in the income statement	1,887	743
Currency translation and other changes	12	(10)
Deferred tax assets at December 31	**4,122**	**2,073**

EUR thousand	**2024**	**2023**
Deferred tax liability		
Deferred tax at 1 January	**440**	**257**
Additions from acquisitions	12,468	232
Change in deferred taxes – recognized in the income statement	(824)	(42)
Currency translation and other changes	81	(7)
Deferred tax liability at December 31	**12,165**	**440**

EUR thousand	**2024**	**2023**
Reflected in the statement of financial position as follows:		
Deferred tax assets	4,122	2,073
Deferred tax liabilities	(12,165)	(440)
Net deferred tax assets/(liabilities)	**(8,043)**	**1,633**

Deferred tax assets mainly relates to tax losses carried forward, while deferred tax liabilities are primarily attributable to acquisition-related intangible assets customer relationship and order backlog. Refer to Note 5.1 “Business combinations” for further details.

Accounting policies

Current tax liabilities and receivables are recognized in the balance sheet at the amounts calculated on the taxable income for the year, adjusted for tax on taxable income for prior years and for taxes paid on account.

Deferred taxes are measured using the balance sheet liability method and comprises all temporary differences between the carrying amount and tax base of assets and liabilities. Deferred tax is not recognized for taxable or deductible temporary differences:

- arising from the initial recognition of goodwill
- on the initial recognition of assets and liabilities in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit
- associated with investments in subsidiaries, branches, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

When the computation of the tax base may be performed according to different tax rules, deferred tax is measured on the basis of Management’s intended use of the asset or settlement of the liability.

Section 3

Note 3.1

Intangible assets

EUR thousand	Software	Customer Relationships	Order backlog	Other intangible assets	Goodwill	Total
Carrying amount at January 1, 2023	**81**	**1,097**	**109**	**-**	**937**	**2,224**
of which:						
- historical cost	171	1,136	164	-	937	2,408
- accumulated amortisation	(90)	(39)	(55)	-	-	(184)
Additions from acquisitions	-	1,079	-	-	3,154	4,233
Additions	50	-	-	-	-	50
Amortisation	(51)	(137)	(65)	-	-	(253)
Currency translation	-	4	2	-	12	18
Carrying amount at December 31, 2023	**80**	**2,043**	**46**	**-**	**4,103**	**6,272**
of which:						
- historical cost	221	2,219	166	-	4,103	6,709
- accumulated amortisation	(141)	(176)	(120)	-	-	(437)
Additions from acquisitions	-	42,736	3,131	6,046	70,648	122,561
Additions	744	-	-	167	-	911
Amortisation	(89)	(2,284)	(2,592)	(211)	-	(5,176)
Currency translation	-	205	1	68	315	590
Carrying amount at December 31, 2024	**735**	**42,700**	**586**	**6,070**	**75,067**	**125,158**
of which:						
- historical cost	965	45,160	3,298	6,281	75,067	130,771
- accumulated amortisation	(230)	(2,460)	(2,712)	(211)	-	(5,613)

Accounting policies

Amortization is carried out systematically over the expected useful lives of the assets:

Software	3 - 5 years
Customer relationship	10 - 15 years
Order backlog	2 - 3 years
Other intangible assets	10-11 years

No other Intangible assets, besides Goodwill, has indefinite lives.

Customer relationships and order backlogs

In 2023 and 2024, the Group acquired intangible assets, customer relationships and order backlogs, through acquisitions amounting to EUR 1,079 thousand and EUR 45,867 thousand, respectively.

The remaining useful life of customer relationships and order backlogs are ranging from 8 – 15 years and 1 - 2 years, respectively.

Software

Software comprises expenses for acquiring software licenses. The value of the recognized software has been compared to the expected value in use.

The remaining useful life of software is ranging from 1-2 years.

Other intangible assets

Other intangible assets, mainly includes development costs in progress and the Big Blue IP acquired in the context of the business combinations (ref. note 5.1, Acquisition of Gentronix Limited).

Development costs comprise development of concepts related to several studies which are mainly used for B2B customers and internal usage. Management expects the future benefit from the development projects to exceed the carrying amount.

An impairment test is carried out if there are any indications of impairment. Management has assessed that there are no indications of impairment in relation to the carrying amount of such intangible assets.

Goodwill

As of December 31, 2024 goodwill amounted to EUR 75,067 thousand (EUR 4,103 thousand as of December 31, 2023) and it has been allocated to the Scantox Group´s only cash-generating unit ("CGU").

Impairment test was performed as of December 31, 2024 by comparing the carrying amount and the recoverable amount of the CGU. The recoverable amount is based on the "fair value less cost of disposal" as the present value of the future cash flows expected to be derived from the CGU.

Key assumptions used in fair value less cost of disposal calculations and sensitivity to changes in assumptions

The calculation of the fair value less cost of disposal is most sensitive to the following assumptions:

- EBITDA margin
- Discount rate (WACC)
- Growth rate estimates

Further to the above, more sensitive assumptions, management assess what the level for working capital and CAPEX should be in the scenarios considered.

EBITDA margin

Overall, average EBITDA margin is expected to improve slightly from 2024 level in the five-year budget period.

The expected future cash flows covering the period from 2025-2029 have been derived from the Group´s business plan. These cash flows relate to the CGU in its condition when preparing the financial statements and exclude the estimated cash flow that might arise from restructuring plans or other structural changes.

Discount rate (WACC)

Discount rates represents the current market assessment of the risks taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into consideration both debt and equity. The cost of equity is derived from the expected return on investment by the Group´s investors. The cost of debt is derived from borrowings the Group is obliged to service.

The expected future cash flow has been discounted using a WACC of 10.4%.

Growth rate estimates

Average growth rates expected in the budget (2026 – 2029) and normalization period is 6.2% and 2.0% in the terminal period respectively.

The assumptions used in this process represent management´s best estimate for the period under consideration.

The recoverable amount was higher than its carrying amount. Historical profitability and future earning prospects indicate that carrying amount of the goodwill will continue to be recoverable.

Sensitivity analysis

A sensitivity analysis covering key assumptions was performed in connection with the impairment test. The recorded headroom of EUR 47.5 million on carrying value including goodwill for the Group would have been

EUR 17.5 million lower, had the applied EBITDA margin decreased by 2%-points compared to managements estimate.

An increase of the applied WACC of 1%-point would have decreased the recorded headroom by EUR 20.4 million. Had Management's estimated growth in the terminal period been 1% rather than the 2% applied, the headroom would have been EUR 15.7 million lower.

The Group constantly monitors the latest government legislation also in relation to climate-related matters. At this time, no legislation has been passed that will impact the Group. The Group will adjust the key assumptions used in value-in-use calculations and sensitivity if changes in assumptions should be required.

Significant judgments and accounting estimates

Goodwill is tested for impairment yearly and when indicators of impairment exist. Impairment tests are based on Management's projections and anticipated net present value of estimated future cash flows. Key assumptions, when calculating the future cash flows used, are based on budgets and Management's estimated development for the following five years including estimated revenue growth, EBITDA, working capital, CAPEX, and the discount rate applied (WACC). Assumptions are tested for sensitivity.

Note 3.2

Property, plant and equipment

EUR thousand	Land and buildings	Fixtures and fittings, tools and equipment	Other tangible assets	Total
Carrying amount at January 1, 2023	**6,605**	**1,985**	**177**	**8,767**
of which:				
- historical cost	18,885	3,879	233	22,997
- accumulated depreciation	(12,280)	(1,894)	(56)	(14,230)
Additions	3,251	1,259	500	5,010
Additions from acquisitions	1,137	413	-	1,550
Depreciation	(1,213)	(693)	(291)	(2,197)
Currency translation	5	2	-	7
Carrying amount at December 31, 2023	**9,785**	**2,966**	**386**	**13,137**
of which:				
- historical cost	23,278	5,553	733	29,564
- accumulated depreciation	(13,493)	(2,587)	(347)	(16,427)
Additions	7,723	604	27	8,354
Additions from acquisitions	6,360	1,668	-	8,028
Depreciation	(2,325)	(1,747)	(360)	(4,432)
Currency translation	50	17	1	68
Carrying amount at December 31, 2024	**21,593**	**3,508**	**54**	**25,155**
of which:				
- historical cost	37,411	7,842	761	46,014
- accumulated depreciation	(15,818)	(4,334)	(707)	(20,859)

The fair value of PPE at year-end are not considered significantly different from their carrying values.

The following tables set forth a breakdown of the right-of-use asset balances include within 'property, plant and equipment':

EUR thousand	**Land and buildings**	**Fixtures and fittings, tools and equipment**	**Other tangible assets**	**Total**
Carrying amount at January 1, 2023	**700**	**640**	**177**	**1,517**
Additions	123	459	42	624
Additions from acquisitions	1,137	-	-	1,137
Depreciation expense	(536)	(127)	(98)	(761)
Currency translation	1	-	-	1
Carrying amount at December 31, 2023	**1,425**	**972**	**121**	**2,518**
Additions	1,008	-	-	1,008
Additions from acquisitions	2,396	-	-	2,396
Depreciation and impairment	(1,365)	(187)	(67)	(1,619)
Currency translation	50	-	-	50
Carrying amount at December 31, 2024	**3,514**	**785**	**54**	**4,353**

EUR thousand	**2024**	**2023**
Lease assets		
Cars	78	121
Buildings	3,513	1,425
Office equipment	255	83
Lab equipment	507	889
Carrying amount	**4,353**	**2,518**

The following are the amounts recognised in the statement of comprehensive income:

EUR thousand	**2024**	**2023**
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	1,619	761
Interest expense on lease liabilities	150	57
Variable lease payments that do not depend on an index or rate	59	31
Total amount recognised in profit or loss	**1,828**	**849**

Total cash outflows for leases amount to EUR 1,666 thousand and EUR 732 thousand for the year-ended December 31, 2024 and 2023, respectively.

Accounting policies

Property, plant and equipment

Property, plant and equipment comprises land and buildings and other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses. Cost comprises the purchase price any costs directly attributable to the acquisition until the date on which the assets is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

The basis of depreciation is calculated considering the asset's residual value less any impairment losses.

The residual value is determined at the date of acquisition and reassessed annually. When the residual value exceeds the carrying amount of the assets, depreciation is discontinued. If the depreciation period or the residual value is changed, the changes are accounted for as accounting estimates, and the effect on depreciation is recognised prospectively.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Land and Buildings	20 - 30 years
Fixtures and fittings, tools and equipment	3 - 10 years
Other tangible assets (Cars)	3 - 5 years

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price and the carrying amount at the date of disposal and they are recognised in the consolidated statement of comprehensive income as other income or other operating expenses in the period of disposal.

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

No impairment indicators identified as of December 31, 2024.

Right-of-use assets

Leases are "right-of-use assets", which is a contract or part of a contract that conveys the lessee's right of use an asset for a period of time. Lease assets are initially measured as the present value of future fixed lease payments, as well as upfront payments and other initial direct costs incurred, less any lease incentives received. If, on the inception of the lease, it is reasonably certain that an extension or purchase option will be exercised, future lease payments will be included.

Lease assets are depreciated using the straight-line method over the lease term.

Lease terms of the following leased assets:

Building	5 – 10 years
Cars	3 – 5 years
Office equipment	3 – 5 years
Lab equipment	3 – 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Group did not apply the practical expedient on short-term leases and leases of low value assets, for which right-of-use and lease liability have been recognized.

Lease assets are tested when there is an indication of impairment.

Note 3.3

Other current assets

EUR thousand	2024	2023
Other current assets		
Prepayments, assets	2,307	555
VAT	974	-
Other receivables	1,696	116
Total	**4,977**	**671**

Note 3.4

Inventories

EUR thousand	2024	2023
Inventory		
Raw materials and consumables	1,470	390
Total	**1,470**	**390**

Accounting Policies

Costs are assigned to individual items of inventory on the basis of first-in, first-out (FIFO) and they are determined after deducting rebates and discounts. Net realizable value is the estimating selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

No inventory write-down reserve as of December 31, 2024 and 2023, respectively.

Note 3.5

Trade Receivables

EUR thousand	2024	2023
Trade receivables		
Gross amount of trade receivables	10,251	3,959
Allowance for expected credit loss	(202)	(152)
Total	**10,049**	**3,807**

EUR thousand	2024	2023
Changes in allowances for trade receivables		
Allowances at January 1	(152)	(30)
Additions	-	(115)
Additions from acquisitions	(50)	(7)
Allowances at December 31	**(202)**	**(152)**

The acquisition of subsidiaries (business combinations note 5.1) resulted in increase in trade receivables of EUR 4,508 thousand in 2024 (2023: EUR 464 thousand). Provision for expected credit losses on trade receivables is considered immaterial.

Accounting policies

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Trade receivables held by Scantox with the purpose of collecting contractual cashflows are recognized initially at fair value and subsequently measured at amortized cost less allowances for lifetime expected credit losses. The Group has limited exposure to credit risk for which the cost of allowances for expected credit losses are included in other operating expenses.

Note 3.6

Other current and non-current liabilities

EUR thousand	2024	2023
Other non-current liabilities		
Other debt, long	710	753
Derivatives financial instruments	680	-
Total	**1,390**	**753**

EUR thousand	2024	2023
Other non-current liabilities		
Employee payables	3,080	1,216
Payables to Scantox Holding ApS	1,900	447
Contingent consideration (earn out)	-	614
VAT	-	306
Other debt	1,667	1,082
Total	**6,647**	**3,665**

Contingent consideration classified is measured at fair value (Level 3) with the changes in fair value recognised through the statement of comprehensive income - finance costs in accordance with IFRS 9.

Please refer to Note 5.1 Business combinations for the description of the valuation technique and the inputs used in the measurement.

Note 3.7

Commitments and contingencies

The following set forth a breakdown of contractual obligations, contingencies, and pledges:

- Security for mortgage debt has been put up as security in buildings (DKK 34,200 thousand equivalent to EUR 4,586 and EUR 4,589 as of December 31, 2024 and 2023, respectively).

- Negative pledge comprising movables, unsecured claims (DKK 15,000 thousand, equivalent to EUR 2,011 and 2,013 as of December 31, 2024 and 2023, respectively).

The Group is not exposed to legal claim contingencies.

Joint taxation

Impilo ApS being the administration company, the Group is subject to the Danish scheme of joint taxation and it is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligation to withhold tax on interest, royalties and dividends of the jointly taxed companies. The liabilities amount to a maximum corresponding to that share of the company capital, which is owned directly or indirectly by the ultimate parent company. The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company. Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the Group's liabilities.

Section 4

Note 4.1

Share capital and capital management

Number of shares	2024	2023
Share capital at January 1	40,001	40,001
Capital Increase	153	-
Share capital at December 31	**40,154**	**40,001**

Scantox's share capital has a nominal value of DKK 40,154 (equivalent to EUR 5 thousand) divided into 40,154 shares of DKK 1 each. The share capital is fully paid.

EUR thousand	2024	2023
Capital Management		
Borrowings	95,054	14,340
Trade and other payables	13,927	6,395
Less: cash and cash equivalents	(10,877)	(1,034)
Net debt	**98,104**	**19,701**
EUR thousand	**2024**	**2023**
Equity	55,819	5,356
Total Capital	55,819	5,356
Capital and net debt	**153,923**	**25,057**
Gearing Ratio	64%	79%

Capital Management

Scantox's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure of Scantox consists of net debt (short-term and long-term borrowings after deducting cash and cash equivalents) and equity (issued capital, reserves, retained earnings). Scantox manages its capital structure and adjusts in light of changes in economic conditions. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash at bank.

The purpose of capital management is, among other things, to ensure the Group is able to meet the financial covenants relating to its bank borrowings. There have been no breaches of the financial covenants relating to bank borrowings in the current period.

Note 4.2

Financial risk management, financial assets and financial liabilities

Financial risks

The Group is exposed to interest rate risk, foreign currency risk, liquidity risk, and credit risk that affect its earnings. Group Management oversees the management of these risks, including overseeing that the Group's financial risk activities are governed by the policies and procedures outlined by Management and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees on policies for managing each of these risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The effective interest rate amounts to 7.7%. The Group's Treasury department manages its interest rate risk by entering into interest rate swap to fix the interest cash flows against the floating rates CIBOR and EURIBOR.

An increase or reduction of 10 basis points in the interest rates of the borrowings would result in an increase/decrease of financial expenses of EUR 54 thousand in 2024 (in 2023 the Group's exposure to the risk of changes in market interest rates was limited due to the facility structure).

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of variations in foreign currency rates. Currency exposure is mainly managed by having revenue and expenses in the same currency.

Credit risk

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. The Group has limited exposure to credit risk and there is no significant concentration of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Liquidity risk

The Group's objective is to maintain a balance between funding continuity and flexibility through the use of bank overdrafts, bank loans and lease contracts. The Management assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

EUR thousand	Contractual cash flows			
	Within 12 months	From 1 to 5 year	More than 5 year	Carrying amount
December 31, 2024				
Bank Borrowings	11,435	47,900	52,149	90,646
Lease Liabilities	1,811	2,848	-	4,408
Derivative financial instruments	296	444	-	680
Trade payables	5,890	-	-	5,890
Other payables	3,201	-	-	3,201
Total financial liabilities	**22,633**	**51,191**	**52,149**	**104,825**
December 31, 2023				
Bank Borrowings	7,324	2,215	5,292	11,721
Lease Liabilities	863	1,802	-	2,619
Trade payables	1,977	-	-	1,977
Other payables	2,550	-	-	2,538
Total financial liabilities	**12,714**	**4,017**	**5,292**	**18,855**

Financial assets and liabilities

EUR thousand	2024	2023
Description		
Trade receivables	10,049	3,807
Cash and cash equivalents	12,578	1,041
Total financial assets at amortized cost	**22,627**	**4,848**
Earn-out measured at fair value through profit and loss	-	614
Financial liabilities measured at fair value through profit and loss	**-**	**614**
Interest rate swaps	680	-
Derivatives designated as hedging instruments	**680**	**-**
Bank Borrowings	90,646	11,721
Lease liabilities	4,408	2,619
Trade payables	5,890	1,977
Other payables	3,201	1,529
Financial liabilities at amortized cost	**104,145**	**17,846**

Accounting policies

Financial assets

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

Initial recognition and measurement

Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attribute able to the acquisition of the financial asset.

Financial assets are subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Scantox´s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Financial asset at amortized cost

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Scantox’s financial assets at amortized cost mainly include trade and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Financial liabilities are recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, while contingent consideration resulting from business combinations has been subsequently remeasured at fair value at each reporting date.

The lease liability is measured at the present value of the remaining lease payments at the reporting date, discounted using the incremental borrowing rate ('IBR') for similar assets. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Hedging activities and derivatives

As of December 31, 2024, Scantox has outstanding interest rate swaps arrangements with Nordea Bank and Nykredit to hedge interest rate exposures on the SFA loan agreement.

The hedge is considered effective at the end of the reporting period. The fair value of the interest rate swap as of December 31, 2024 amounted to € 680 thousand and recorded under "Other non-current liabilities" in statement of financial position.

The following table shows the presentation of amounts related to cash flow hedges as follows:

Derivatives	Other comprehensive income	Balance sheet	Equity
Interest rate swaps	Value adjustments of hedge instruments for the year	Other non-current liabilities	Cash flow hedge reserve

Accounting policies

Initial recognition and subsequent measurement

Scantox uses derivative financial instruments, such as interest rate swaps contracts, to hedge its interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Scantox only has hedges classified as cash flow hedge. These hedge the exposures to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment. At the inception of a hedge relationship, Scantox formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how Scantox will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in Other comprehensive income (”OCI”), while any ineffective portion is recognized immediately in the consolidated statement of income. The net fair value changes on cash flow hedges are adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

Scantox uses interest rate swaps to hedge its interest rate risks. Changes in the fair value of the interest rate swaps are recognized in OCI and accumulated as a separate component of equity under “Hedging reserve”.

Scantox designates only the elements of the interest rate swaps as hedging instruments to achieve its risk management objective. These elements are recognized in OCI and accumulated in a separate component of equity under the hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Note 4.3

Change in liabilities arising from financing activities

EUR thousand	January 1, 2024	Cash flows	Foreign exchange movement	New leases	Additions from acquisitions	Others	December 31, 2024
Lease liabilities	2,619	(1,666)	50	1,008	2,396	1	4,408
Bank borrowings	11,721	78,905	(6)	-	-	26	90,646
Total	**14,340**	**77,239**	**44**	**1,008**	**2,396**	**27**	**95,054**

EUR thousand	January 1, 2023	Cash flows	Foreign exchange movement	New leases	- Additions from acquisitions	Others	December 31, 2023
Lease liabilities	1,686	(886)	1	624	1,137	57	2,619
Bank borrowings	4,090	7,585	4	-	42	-	11,721
Total	**5,776**	**6,699**	**5**	**624**	**1,179**	**57**	**14,340**

Section 5

Note 5.1

Business combinations

This sections summarizes the business combinations that occurred in 2024 and 2023.

2024

Acquisition of Scantox Neuro GmbH

On March 27, 2024, the Group acquired the neuropharmacology division of QPS Austria GmbH ("Scantox Neuro GmbH" or "QPS Neuro"). Scantox Neuro GmbH is a leading drug discovery Contract Research Organization (CRO) that specializes in neurodegenerative, rare diseases and mental disorders. The Group acquired this business to enlarge the range of services and bring highly complementary service offerings to Scantox's stronghold in pharmacology and regulatory toxicology.

The fair value of the identifiable assets and liabilities of QPS Neuro on the acquisition date were:

EUR thousand	**FV recognised on acquisition**
Description	
Intangible assets	34,269
Property, plant and equipment	4,815
Inventories	661
Trade receivables and other receivables	4,684
Cash and cash equivalents	3,282
Deferred tax liabilities	(8,551)
Income tax payables	(453)
Trade payables and other payables	(8,365)
Total identifiable net assets fair value	**30,342**
Goodwill arising on acquisition	55,408
Purchase consideration transferred	**85,750**
Purchase consideration	
Cash paid	85,750
Total consideration	**85,750**
Analysis of cash flows on acquisition	
Consideration paid	85,750
Net cash acquired with the subsidiary (included in cash flow from investing activities)	(3,282)
Net cash flow on acquisition	**82,468**

The fair value of the trade receivables and other receivables amounts to EUR 4,684 thousand. The gross amount of trade receivables is EUR 4,684 thousand and it is expected that the full contractual amounts can be collected.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities.

The goodwill of EUR 55,408 thousand comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the aggregated level, as Scantox is considered one cash-generating unit. None of the goodwill recognized is expected to be deductible for income tax purposes.

From the date of acquisition, Scantox Neuro GmbH contributed EUR 13,369 thousand of revenue and income of EUR 5,775 thousand to profit before tax of the Group.

On a pro forma basis, if the acquisition had taken place at the beginning of the year, the impact would have been EUR 16,833 thousand to revenue and a loss of EUR 6,695 to profit before tax for the Group.

Transaction costs of EUR 4,827 thousand were expensed and are included in special items.

Acquisition of Gentronix Limited

On September 9, 2024, the Group acquired 100% of the voting shares of Gentronix Limited., a GLP compliant genetic toxicology Contract Research Organization ("CRO"). The Group acquired this business to enlarge the range of services and bring highly complementary service offerings to Scantox's stronghold in pharmacology and regulatory toxicology.

The fair value of the identifiable assets and liabilities of Gentronix on the acquisition date were:

EUR thousand	**FV recognised on acquisition**
Description	
Intangible assets	17,644
Property, plant and equipment	3,213
Inventories	260
Trade receivables and other receivables	4,209
Cash and cash equivalents	1,562
Deferred tax liabilities	(3,917)
Borrowings	(2,396)
Trade payables	(5,408)
Total identifiable net assets fair value	**15,167**
Goodwill arising on acquisition	15,240
Purchase consideration transferred	**30,407**
Purchase consideration	
Cash paid	30,407
Total consideration	**30,407**
Analysis of cash flows on acquisition	
Consideration paid	30,407
Net cash acquired with the subsidiary (included in cash flow from investing activities)	(1,562)
Net cash flow on acquisition	**28,845**

The fair value of the trade receivables and other receivables amounts to EUR 4,209 thousand. The gross amount of trade receivables is EUR 4,209 thousand and it is expected that the full contractual amounts can be collected.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities.

The goodwill of EUR 15,167 thousand comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the aggregated level, as Scantox is considered one cash-generating unit. None of the goodwill recognized is expected to be deductible for income tax purposes.

From the date of acquisition, Gentronix Limited contributed EUR 4,535 thousand of revenue and a loss of EUR 162 thousand to profit before tax of the Group.

On a pro forma basis, if the acquisition had taken place at the beginning of the year, the impact would have been EUR 14,855 thousand to revenue and income of EUR 513 to profit before tax for the Group.

Transaction costs of EUR 1,763 thousand were expensed and are included in special items.

2023

Acquisition of Q&Q Labs AB

On August 31, 2023, the Group acquired 100% of the voting shares of Q&Q Labs AB, a pre-clinical Contract Research Organisation ("CRO") that offers tailor-made services within organic analytical chemistry. The Group acquired this business to enlarge the range of services and bring highly complementary service offerings to Scantox's stronghold in pharmacology and regulatory toxicology.

The fair value of the identifiable assets and liabilities of Q&Q Labs AB as at the date of acquisition were:

EUR thousand	**FV recognised on acquisition**
Description	
Intangible assets	472
Property, plant and equipment	465
Trade receivables	126
Other receivables	83
Cash and cash equivalents	175
Borrowings	(199)
Deferred tax liabilities	(99)
Provisions	(216)
Trade payables	(16)
Other liabilities	(67)
Total identifiable net assets fair value	**724**
Goodwill arising on acquisition	1,290
Purchase consideration transferred	**2,014**
Analysis of cash flows on acquisition	
Consideration paid	2,014
Net cash acquired with the subsidiary (included in cash flow from investing activities)	(175)
Net cash flow on acquisition	**1,839**

The fair value of the trade receivables amounts to EUR 126 thousand. The gross amount of trade receivables is EUR 126 thousand and it is expected that the full contractual amounts can be collected.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities.

The goodwill of EUR 1,290 thousand comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the aggregated level, as Scantox is considered one cash-generating unit. None of the goodwill recognized is expected to be deductible for income tax purposes.

From the date of acquisition, Q&Q Labs AB contributed EUR 548 thousand of revenue and a loss of EUR 245 thousand to profit before tax of the Group.

On a pro forma basis, if the acquisition had taken place at the beginning of the year, the impact would have been EUR 2,086 thousand to revenue and a loss of EUR 352 to profit before tax for the Group.

Transaction costs of EUR 149 thousand were expensed and are included in special items.

Acquisition of Solural Pharma ApS

On November 20, 2023, the Group acquired 100% of the voting shares of Solural Pharma ApS, a company based in Ballerup, specialising in developing new oral formulations, from concept idea until clinical proof of concept. The Group acquired this business to enlarge the range of services and bring highly complementary service offerings to Scantox's stronghold in pharmacology and regulatory toxicology.

The fair value of the identifiable assets and liabilities of Solural Pharma ApS as at the date of acquisition were:

EUR thousand	**FV recognised on acquisition**
Description	
Intangible assets	607
Property, plant and equipment	1,085
Deferred tax assets	7
Other non-current assets	26
Inventories	89
Trade receivables	338
Cash and cash equivalents	693
Borrowings	(980)
Deferred tax liabilities	(133)
Trade payables	(2)
Other liabilities	(283)
Total identifiable net assets fair value	**1,447**
Goodwill arising on acquisition	1,876
Purchase consideration transferred	**3,323**
Purchase consideration	
Cash paid	2,709
Contingent consideration liability	614
Total consideration	**3,323**

Analysis of cash flows on acquisition	
Consideration paid	2,709
Net cash acquired with the subsidiary (included in cash flow from investing activities)	(693)
Net cash flow on acquisitioin	**2,016**

The fair value of the trade receivables amounts to EUR 338 thousand. The gross amount of trade receivables is EUR 338 thousand and it is expected that the full contractual amounts can be collected.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition.The right-of-use assets were measured at an amount equal to the lease liabilities.

The goodwill of EUR 1,876 thousand comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the aggregated level, as Scantox is considered one cash-generating unit. None of the goodwill recognized is expected to be deductible for income tax purposes.

From the date of acquisition, Solural Pharma ApS contributed EUR 333 thousand of revenue and a loss of EUR 57 thousand to profit before tax from continuing operations of the Group.

On a pro forma basis, if the acquisition had taken place at the beginning of the year, the impact would have been EUR 2,211 thousand to revenue and EUR 170 to profit before tax for the Group.

Transaction costs of EUR 149 thousand were expensed and are included in special items.

Contingent consideration

As part of the purchase agreement with the previous owner of Solural Pharma ApS, a contingent consideration has been agreed. The earn-out is based on a linear outcome of Solural's revenue for FY2023 in the range DKK 13 million to DKK 15 million. If Solural achieves revenues of DKK 15 million for FY2023, an earn-out amount of DKK 5 million is payable.

As at the acquisition date, the fair value of the contingent consideration was estimated to be EUR 614 thousand. The fair value of the contingent consideration determined at 31 December 2023 using a DCF method (Level 3).

Accounting policies

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in the operating expenses (special items).

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Significant judgments and accounting estimates

The most significant assets acquired generally comprise goodwill and customer relationships. No active market exists for the majority of the acquired assets and liabilities, in particular in respect of acquired intangible assets. Accordingly, Management makes estimates of the fair value of acquired assets, liabilities, and contingent liabilities. Depending on the nature of the item, the determined fair value of an item may be associated with uncertainty and possibly adjusted subsequently.

The fair value of customer contracts acquired in business combinations is based on an evaluation of the conditions relating to the acquired portfolio and related customer relations. Measurement is based on a discounted cash flow model on key assumptions about the estimated split of the acquired and expected revenue, the related churn rates and the expected profitability of the revenue at the time of the acquisition.

Note 5.2

Related parties

Related parties are defined as parties with control or significant influence, including Group companies.

The Impilo No 9 AB, based in Holländargatan 20, 4 Tr 111 60, Stockholm, Stockholm Sweden, is the ultimate parent of Scantox Denmark ApS.

Impilo No 9 AB holds the majority of the share capital in the Company.

Other related parties include members of Board of Directors together with immediate families.

There were no significant transactions with related parties, including members of the Board of Directors or other key management personnel other than payment of remuneration.

Group information

Below table provides information about the Group's structure, including details of the subsidiaries and the holding company. Scantox Denmark ApS directly or indirectly owns the entire share capital in all subsidiaries with an ownership percentage of 100%.

Subsidiaries

Name	Registered office	Consolidated ownership
Scantox A/S	Lille Skensved, Denmark	100%
Scantox Sweden AB*	Molndal, Sweden	100%
Scantox Ballerup ApS	Ballerup, Denmark	100%
Scantox Inc.	Lille Skensved, Denmark	100%
Scantox Austria GmbH	Grambach, Austria	100%
Scantox Neuro GmbH	Grambach, Austria	100%
Scantox UK Limited	London, England	100%
Gentronix Limited	Cheshire, England	100%

** Scantox Lund (formerly Timeline Bioresearch AB), Scantox Solna (formerly Adlego Biomedical AB), Scantox Gothenburg (formerly Q&Q Labs AB) merged into Scantox Sweden AB*

Note 5.3

Events after the balance sheet date

No other events after the balance sheet date that could have a significant impact on the consolidated financial statements have occurred subsequent to December 31, 2024.

Scantox Denmark ApS

Annual Report 2024

(Parent Company)

Financial Statements (Parent Company)

Statement of Comprehensive Income

		Year ended	
EUR thousand	**Note**	**2024**	**2023**
Revenue	2.1	885	12,476
Other income	2.2	1,161	-
Personnel costs	2.3	(3,195)	(2,707)
Other operating expenses	2.4	(931)	(11,609)
EBITDA before special items		**(2,080)**	**(1,840)**
Special items	2.5	(1,284)	(1,196)
Amortization, depreciation and impairment		(314)	(199)
Operating income / (loss) (EBIT)		**(3,678)**	**(3,235)**
Net financial items	2.6	4,043	(507)
Profit / (loss) before income tax		**365**	**(3,742)**
Income taxes	2.7	209	812
Income/(loss) for the year		**574**	**(2,930)**
Other comprehensive income that may be reclassified to profit or loss in subsequent periods			
Loss on cash flow hedges		(680)	-
Exchange differences on translation of foreign operations		(1)	(10)
Income tax relating to these items		150	-
Other comprehensive income / (loss) for the year		**(531)**	**(10)**
Total comprehensive income / loss for the year		**43**	**(2,940)**

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

EUR thousand	Note	As of December 31, 2024	2023
ASSETS			
Non-current assets			
Intangible assets	3.1	177	-
Property, plant and equipment	3.2	74	252
Investment in group entities	3.3	74,408	11,489
Deferred tax assets		1,297	816
Receivables from group entities	3.5	39,709	-
Total non-current assets		**115,665**	**12,557**
Current assets			
Trade receivables	3.4	471	2,404
Contract assets	2.1	-	620
Other current assets	3.5	4,839	1,708
Cash and cash equivalents		4,763	25
Total current assets		**10,073**	**4,757**
Total assets		**125,738**	**17,314**
EQUITY AND LIABILITIES			
Equity			
Share capital	4.1	5	5
Share premium		61,103	-
Other reserves		(541)	(10)
Retained earnings		1,148	574
Total equity		**61,715**	**569**
Non-current liabilities			
Non-current borrowings	4.2	55,003	32
Other non-current liabilities	3.6	680	-
Total non-current liabilities		**55,683**	**32**
Current liabilities			
Current borrowings	4.2	5,370	5,633
Contract liabilities	2.1	-	1,504
Trade payables		482	323
Income tax payables		120	-
Other current liabilities	3.6	2,368	9,253
Total current liabilities		**8,340**	**16,713**
Total liabilities		**64,023**	**16,745**
Total equity and liabilities		**125,738**	**17,314**

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of Changes in Equity

EUR thousand	Note	Share Capital	Share premium	Cash flow hedge reserve	Foreign currency translation reserve	Retained earnings	Total equity
Equity at December 31, 2023		**5**	**-**	**-**	**(10)**	**574**	**569**
Income / (Loss) for the year		-		-	-	574	574
Other comprehensive income / (Loss) for the year		-		(530)	(1)	-	(531)
Total Comprehensive income / (Loss) for the year		**-**	**-**	**(530)**	**(1)**	**574**	**43**
Capital Increase	4.1	-	61,103	-	-	-	61,103
Equity at December 31, 2024		**5**	**61,103**	**(530)**	**(11)**	**1,148**	**61,715**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash Flow Statement

EUR thousand	Note	Year-ended 2024	2023
Profit / (loss) before income tax		365	(3,742)
Amortization, depreciation, and impairment	3.1	314	199
Net financial items	2.6	(4,043)	507
Change in trade receivables		1,933	(2,404)
Change in trade payables		159	285
Change in other assets and liabilities		(10,684)	7,082
Interest paid		(3,413)	(223)
Net cash flow from operating activities		**(15,369)**	**1,704**
Payments for investments in subsidiaries	3.2	(62,919)	(6,087)
Changes in other long-term assets		(39,709)	-
Purchase of intangible assets	3.1	(190)	-
Purchase of property, plant and equipment	3.2	(124)	(232)
Dividends from subsidiaries	2.6	7,238	-
Net cash flow used in investing activities		**(95,704)**	**(6,319)**
Contribution to capital reserves	4.1	61,103	-
Proceeds from borrowings	4.3	54,805	5,507
Repayment of borrowings	4.3	-	(795)
Payment of principal portion of lease liabilities	4.3	(97)	(92)
Net cash flows from financing activities		**115,811**	**4,620**
Net increase in cash and cash equivalents		4,738	5
Net foreign exchange difference		-	(1)
Cash and cash equivalent at 1 January		**25**	**21**
Cash and cash equivalent at 31 December		**4,763**	**25**

The above cannot be derived directly from the income statement and the balance sheet

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements of the Parent

Section 1

Note 1.1

Basis of preparation

The parent company financial statements of Scantox Denmark ApS ('Parent Company') have been prepared in accordance with International Financial Reporting Standards (IFRS® Accounting Standards) as adopted by the EU and additional requirements of the Danish Financial Statements Act applying to small reporting class C entities.

Accounting policies

The accounting policies applied by the Parent Company are the same as apply to the Scantox Group, see the notes to the consolidated financial statements, with the exception of the following:

Investments in group companies

The accounting policies for investments in group companies and related transactions are presented in note 3.1.

Significant accounting estimates and judgments

In preparing the parent company financial statements, Management makes various accounting estimates and assumptions that form the basis of the recognition and measurement of the Parent Company's assets and liabilities.

In applying the accounting policies, Management makes judgements that may significantly influence the amounts recognized in the financial statements. The key accounting estimates and judgements for the Scantox Group are presented in the notes to the consolidated financial statements. Furthermore, management considers the key accounting estimates and judgements used in the preparation of the Parent company financial statements in particular referring to the carrying amount of investments in group companies.

Assumptions about the future and estimation uncertainty at the balance sheet date are described in the notes where there is a significant risk of changes that could result in material adjustments to the carrying amount of assets or liabilities within the next financial year.

Section 2

Note 2.1

Revenue

EUR thousand	2024	2023
Nordic	690	8,583
Europe (ex. Nordic)	195	2,495
Rest of the world	-	1,398
Total	**885**	**12,476**

EUR thousand	2024	2023
Contract balances		
Trade receivables	471	2,404
Contract assets	-	620
Contract liabilities	-	1,504

Note 2.2

Other income

Other income includes management fees related to administrative services provided to the group entities, mainly including Scantox A/S (EUR 631 thousand), Scantox Sweden AB (EUR 152 thousand) and Solural Pharma ApS (EUR 119 thousand).

Note 2.3

Personnel costs

EUR thousand	2024	2023
Personnel expenses		
Wages and salaries	2,681	2,280
Pensions	480	411
Social security	34	16
Total	**3,195**	**2,707**

Average number of full-time employees	24	25

Note 2.4

Other operating expenses

EUR thousand	2024	2023
Other operating expenses		
Insurance	202	99
Management fee	-	11,450
Other operating expenses	729	60
Total	**931**	**11,609**

Note 2.5

Special items

EUR thousand	2024	2023
Special items		
Business combinations	-	927
Other one-off expenses	1,284	269
Total	**1,284**	**1,196**

Note 2.6

Net financial items

EUR thousand	2024	2023
Net financial items		
Dividend from group entities	7,238	-
Foreign exchange rate differences	218	(284)
Interest expenses	(3,408)	(208)
Interest on lease liabilities	(4)	(7)
Other financial expenses	(1)	(8)
Total	**4,043**	**(507)**

Note 2.7

Income taxes and deferred tax

EUR thousand	2024	2023
Income taxes		
Current tax for the year	120	-
Deferred tax for the year	(329)	(820)
Prior year adjustments	-	8
Total	**(209)**	**(812)**

EUR thousand	2024	2023
Theoretical income taxes at the Company tax rate of 22%	80	(823)
Prior year adjustments	-	8
Permanent and other differences	(289)	3
Effective tax rate	**2%**	**22%**
Income taxes	**(209)**	**(812)**

The Parent Company and its Danish subsidiaries are jointly taxed with the Danish companies in the Scantox Group. The joint taxation arrangement also covers withholding taxes in the form of dividend tax, royalty tax, and interest tax. The taxes for the individual companies are allocated in full based on the expected taxable income.

Deferred taxes

EUR thousand	2024	2023
Deferred tax assets		
Deferred tax at January 1	816	233
Change in deferred taxes – recognized in other comprehensive income	150	-
Change in deferred taxes – recognized in the income statement	329	820
Currency translation and other changes	2	(237)
Deferred tax assets at December 31	**1,297**	**816**

Section 3

Note 3.1

Intangible assets

EUR thousand	Software	Total
Carrying amount at December 31, 2022	**-**	**-**
of which:		
- historical cost	-	-
- accumulated amortisation	-	-
Additions	-	-
Amortisation	-	-
Currency translation	-	-
Carrying amount at December 31, 2023	**-**	**-**
of which:		
- historical cost	-	-
- accumulated amortisation	-	-
Additions	190	190
Amortisation	(13)	(13)
Carrying amount at December 31, 2024	**177**	**177**

Note 3.2

Property, plant and equipment

EUR thousand	Fixtures and fittings, tools and equipment	Other tangible assets	Total
Carrying amount at December 31, 2022	**-**	**178**	**178**
of which:			
- historical cost	-	233	233
- accumulated depreciation	-	(55)	(55)
Additions	12	261	273
Depreciation	(3)	(196)	(199)
Currency translation	-	-	-
Carrying amount at December 31, 2023	**9**	**243**	**252**
of which:			
- historical cost	12	494	506
- accumulated depreciation	(3)	(251)	(254)
Additions	100	24	124
Depreciation	(105)	(196)	(301)
Currency translation	-	(1)	(1)
Carrying amount at December 31, 2024	**4**	**70**	**74**
of which:			
- historical cost	112	517	629
- accumulated depreciation	(108)	(447)	(555)

The fair value of PPE at year-end are not considered significantly different from their carrying values.

The following tables set forth a breakdown of the right-of-use asset balances include within 'property, plant and equipment':

EUR thousand	Total
Carrying amount at December 31, 2022	**178**
Additions	41
Depreciation and impairment	(98)
Carrying amount at December 31, 2023	**121**
Additions	-
Depreciation and impairment	(74)
Currency translation	(1)
Carrying amount at December 31, 2024	**46**

EUR thousand	2024	2023
Lease assets		
Cars	46	121
Carrying amount	**46**	**121**

The following are the amounts recognised in the statement of comprehensive income:

EUR thousand	2024	2023
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	(74)	(98)
Interest expense on lease liabilities	(4)	(7)
Total amount recognised in profit or loss	**(78)**	**(105)**

Total cash outflows for leases amount to EUR 99 thousand for the year-ended December 31, 2024 and 2023, respectively.

Note 3.3

Investment in group entities

EUR thousand	2024	2023
Cost at January 1	**11,489**	**5,584**
Additions	62,927	5,917
Currency translation	(8)	(12)
Total	**74,408**	**11,489**

Accounting policies

Dividends from group companies are recognized as income in the income statement of the Parent Company in the financial year in which the dividend is declared. If the carrying amount of an investment in a subsidiary exceeds the carrying amount of the net assets in the subsidiary's financial statements, or if the dividend exceeds the total comprehensive income of the subsidiary in the period in which the dividend is declared, the carrying amount of the subsidiary is tested for impairment. Investments in group companies are measured at cost. If the cost exceeds the recoverable amount, it is written down.

See note 5.2 to the consolidated financial statements for a list of group companies.

Note 3.4

Trade receivables

Trade receivables as of Dec 31, 2024, amount to EUR 471 thousand (2,404 thousand as of December 31, 2023). No allowances for expected credit loss reported as of and for the year-ended December 31, 2024.

Note 3.4

Other current and non-current assets

EUR thousand	2024	2023
Other current assets		
VAT	298	1,620
Prepayments, assets	81	88
Receivables from group entities	4,460	-
Total	**4,839**	**1,708**

EUR thousand	2024	2023
Other non-current assets		
Receivables from group entities	39,709	-
Total	**39,709**	**-**

Note 3.4

Other current and non-current liabilities

EUR thousand	2024	2023
Other current liabilities		
Payables to group entities	1,900	7,630
Employee payables	459	605
Contingent consideration (earn out)	-	614
Other debt	9	404
Total	**2,368**	**9,253**

EUR thousand	2024	2023
Other non-current liabilities		
Derivative financial instruments	680	-
Total	**680**	**-**

Section 4

Note 4.1

Share capital

Number of shares	2024	2023
Share capital at January 1	40,154	40,001
Capital Increase	-	153
Share capital at December 31	**40,154**	**40,154**

Scantox's share capital has a nominal value of DKK 40,154 (equivalent to EUR 5 thousand) divided into 40,154 shares of DKK 1 each. The share capital is fully paid.

Note 4.2

Financial risk management, financial assets and financial liabilities

EUR thousand	Contractual cash flows			
	Within 12 months	**From 1 to 5 year**	**More than 5 year**	**Carrying amount**
December 31, 2024				
Bank Borrowings	8,985	28,400	37,892	60,345
Lease Liabilities	30	-	-	28
Derivative financial instruments	296	444	-	680
Trade payables	482	-	-	482
Other payables	1,900	-	-	1,900
Total financial liabilities	**11,693**	**28,844**	**37,892**	**63,435**
December 31, 2023				
Bank Borrowings	5,646	9	-	5,544
Lease Liabilities	100	23	-	121
Trade payables	323	-	-	323
Other payables	8,244	-	-	8,244
Total financial liabilities	**14,313**	**32**	**-**	**14,232**

Financial assets and liabilities

EUR thousand	2024	2023
Description		
Trade receivables	10,049	2,404
Cash and cash equivalents	12,578	25
Total financial liabilities at amortized cost	**22,627**	**2,429**
Earn-out measured at fair value through profit and loss	-	614
Financial liabilities measure at fair value through	**-**	**614**
Interest rate swaps	680	-
Derivatives designated as hedging instruments	**680**	**-**
Bank borrowings	60,345	5,544
Lease liabilities	28	121
Trade payables	482	323
Other payables	1,900	8,244
Total financial liabilities at amortized cost	**62,755**	**14,232**

Note 4.3

Change in liabilities arising from financing activities

EUR thousand	January 1, 2024	Cash flows	Foreign exchange movement	New leases	Others	December 31, 2024
Lease liabilities	121	(93)	-	-	-	28
Bank borrowings	5,544	54,805	(4)	-	-	60,345
Total	**5,665**	**54,712**	**(4)**	**-**	**-**	**60,373**

EUR thousand	January 1, 2023	Cash flows	Foreign exchange movement	New leases	Others	December 31, 2023
Lease liabilities	142	(92)	-	41	30	121
Bank borrowings	571	4,712	-	-	261	5,544
Total	**713**	**4,620**	**-**	**41**	**291**	**5,665**

Note 4.4

Related Parties

Related party transactions refer to management fees described above (please refer to note 2.2 Other income) and receivables from group entities, mainly attributable to Scantox Austria Gmbh (EUR 37,800 thousand) and Scantox UK Limited (EUR 1,809 thousand).

Please also refer to note 5.2 to the consolidated financial statements.

Note 4.5

Commitment and contingencies

Contingent liability

The Danish companies are jointly and individually liable for the joint taxation payments. Any subsequent adjustments to income taxes and withholding taxes may lead to a higher liability.

Contingencies

The Parent Company is not exposed to legal claim contingencies.

Note 4.6

Events after the balance sheet date

Please refer to note 5.3 to the consolidated financial statements.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Martin Amtoft-Christensen
CFO
Serienummer: 4aaab00e-388a-474e-b215-023af499ecf5
IP: 89.239.xxx.xxx
2025-04-24 09:12:43 UTC

Jens Bager
Board of Director
Serienummer: a34399b3-6082-40c5-bed3-bd271dededc0
IP: 80.165.xxx.xxx
2025-04-24 09:12:51 UTC

Jeanet Løgsted Nielsen
CEO
Serienummer: c8b8e67c-dee9-4d60-9b4f-7ac337e9635e
IP: 89.239.xxx.xxx
2025-04-24 09:32:48 UTC

Nicholas Povl Zilstorff Hooge
Board of Director
Serienummer: 6d67ea33-ee48-4574-bb32-e6bb7e788fcb
IP: 37.96.xxx.xxx
2025-04-25 08:02:46 UTC

Christian Carlsbæk Møller
Statsaut. revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: b61a18be-ed13-451a-9042-c91cf6f8ae49
IP: 165.225.xxx.xxx
2025-04-25 08:06:09 UTC

Ole Rønne Becker
EY Godkendt Revisionspartnerselskab CVR: 30700228
Statsaut. revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: b638b38f-65a8-478b-8792-c2fdac5de640
IP: 185.107.xxx.xxx
2025-04-25 08:14:00 UTC