2care4 ApS

Stenhuggervej 12, DK-6710 Esbjerg V

Annual Report for 2024

CVR No. 28 96 40 80

The Annual Report was presented and adopted at the Annual General Meeting of the company on 8/4 2025

Thomas Hjarsbæk Rasmussen
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of 2care4 ApS for the financial year 1 January - 31 December 2024.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and of the results of the Company operations for 2024.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Esbjerg V, 8 April 2025

Executive Board

Ulrik Ernst Rasmussen CEO	Thomas Hjarsbæk Rasmussen CFO

Board of Directors

Henrik Bisgaard Jensen	Toke Værndal

Independent Auditor's report

To the shareholder of 2care4 ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company´s operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of 2care4 ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (”the Financial Statements”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the ”Auditor’s responsibilities for the audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management’s Review

Management is responsible for Management’s Review.

Our opinion on the Financial Statements does not cover Management’s Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management’s Review and, in doing so, consider whether 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 Management’s Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 in Management’s Review.

Management’s responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company´s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Esbjerg, 8 April 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Palle H. Jensen	Stefan Dracea
State Authorised Public Accountant	State Authorised Public Accountant
mne32115	mne42827

Company information

The Company	2care4 ApS Stenhuggervej 12 DK-6710 Esbjerg V Telephone: +45 75152900 Website: www.2care4.dk CVR No: 28 96 40 80 Financial period: 1 January - 31 December Incorporated: 5 August 2005 Financial year: 19th financial year Municipality of reg. office: Esbjerg
Board of Directors	Henrik Bisgaard Jensen Toke Værndal
Executive Board	Ulrik Ernst Rasmussen Thomas Hjarsbæk Rasmussen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Esbjerg Brygge 28, 2. DK-6700 Esbjerg

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2024	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	1,230,471	1,205,653	1,163,569	830,050	864,398
Gross profit	136,277	162,418	124,167	53,312	85,236
Profit/loss of primary operations	40,602	75,377	52,476	-23,300	9,453
Profit/loss of financial income and expenses	-14,434	-12,604	-9,168	-3,582	-4,211
Net profit/loss for the year	20,347	48,849	33,669	-21,272	4,072
Balance sheet					
Balance sheet total	529,095	446,709	441,791	382,321	331,137
Investment in property, plant and equipment	5,031	3,053	698	2,429	2,429
Equity	100,082	104,735	75,136	41,467	62,739
Number of employees	158	131	110	108	118
Ratios					
Gross margin	11.1%	13.5%	10.7%	6.4%	9.9%
Profit margin	3.3%	6.3%	4.5%	-2.8%	1.1%
Return on assets	7.7%	16.9%	11.9%	-6.1%	2.9%
Solvency ratio	18.9%	23.4%	17.0%	10.8%	18.9%
Return on equity	19.9%	54.3%	57.7%	-40.8%	13.0%

Management's review

Key activities

The company's main activities are sales of Parallel Imported medicine and Generic medicine products.

Development in the year

The income statement of the Company for 2024 shows a profit of DKKm 20,3 and at 31 December 2024 the balance sheet of the Company shows a positive equity of DKKm 100.

The past year and follow-up on development expectations from last year

The profit level for 2024 was expected to be in line with 2023 level and therefore the result is not considered satisfactory and is below the expectations for 2024.

For the Parallel Import business, the market dynamic in 2024 has had a negative impact on the business performance across main markets.

Targets and expectations for the year ahead

For the financial year 2025 the Management expect an increasing activity of 5%-10% level and net profit level of DKK 40-50 mio.

General risk

When launching new products, the company is very dependent on the processing time partly with the healthcare authorities in the countries where the products are sold and partly with the central European registration authority, EMA, in Amsterdam. In a number of countries, the processing time still remains long, which limits a fast introduction of both new parallel imported goods and Generics.

Financial risks

The company is exposed to fluctuations in interest rate levels and foreign exchange rates.

Control of the financial risks and cash flows of the company is conducted from the headquarters of the Group. The company pursues a low risk profile within this area.

Equivalently, a tight control of the credit policy is implemented. Thus, the company only has a very limited risk towards customers or co-operators. The majority of sales are legally enforced through consolidated pharmaceutical wholesalers.

Research and development

In general, 2care4 is increasing focus and investment in product development is expected to generate more revenue for the company within few years.

Statement of corporate social responsibility

Business model

The business model of the 2care4 Aps includes the development, in-licensing, production, import, export, distribution and sales of medical products. The main activities relate to parallel import of medical products and Generics. The parallel imported products are purchased throughout Europe, which are then repacked and sold in the Scandinavian markets and Germany. All activities are under strict surveillance and in compliance with GMP guidelines. The Company is represented in the Nordic countries, Germany and in Poland. It currently employs over 350 people of whom approximately 150 work out of the headquarters in Esbjerg, Denmark.

The company complies with all relevant legislation related to Corporate Social Responsibility, and generally strives to minimize the negative impacts of the Company’s activities as much as possible.

Management's review

Risk analysis

Risk is defined as the potential negative effect that can be experienced by the business or any of the 2care4 ApS´s stakeholders. Risk is seen as a combination between impact and likelihood of any given subject.

Repacking

When purchasing medical products for parallel import, the 2care4 ApS buys from wholesalers within the EU. There is no contact with the original producer as such, and therefore, the 2care4 ApS has no influence on the production phase at all. As regards the 2care4's generic business, we are in constant dialogue with our partners to ensure that they are in compliance with all local legislation and rules.

2care4 ApS have developed a CSR policy in 2020 which elaborates on anti-corruption, human rights, social and employee conditions, environment, climate and energy consumption. For further explanation please find link to our CSR policy, https://www.epaper.dk/mss2care4/csrpolicy/csr-2care4-policy/

The CSR policy have been communicated to our suppliers & business partners.

Anti-corruption

The 2care4 Group has a zero tolerance towards corruption, and when marketing products towards pharmacies in the Nordics and DE, the guidelines of AME (Affordable Medicines Europe), MFE (Medicines for Europe) and of ENLI (Etisk Nævn for Lægemiddel Industrien) are applied and complied with in detail. Due to the fact that we see a lower risk of corruption among our partners due to being located in countries that have a high score on our CPI index, we have chosen to draw up a policy in 2020 regarding bribery and anti-corruption. In 2024, we have had 0 cases of bribery and anti-corruption. Going forward, we will continue to closely monitor anti-corruption risk. We have implemented a whistle-blower setup as an additional preventive measure in this area.

Human rights

2care4 ApS's potential risk of influencing social conditions and human rights is in general estimated to be limited, mainly due to the strictly regulated business environment in which the Company operates, even though we see a risk based on lack of transparency regarding the working environment on the sites of suppliers which is out of our control. We strive to comply with all current and future legislation and guidelines in relation to human rights etc. both internally as well as externally, which is something that we also expect from our current and future partners. We do not see a need for further proactive work in to this area since we are already doing what is possible to stay compliant in this important area.

We have no knowledge of breach in any way internally for both PI and Generics or externally via our business partners. As a further initiative to support this we created a CSR policy in 2020, which have zero tolerance in violating human rights for us and all suppliers and business partners. In 2024, we have had 0 cases of violation of human rights.

Management's review

Social and employee conditions

A healthy and safe work environment is very important for the 2care4 ApS. Therefore, we commit to ensure that our employees have the right working environment.

We consider accidents among within our workforce as one of the biggest risks and therefore we have a zero-accident target for our internal production sites. In 2024, there has been in total 4 accidents in the production area. The accidents have been registered and mitigating actions have been implemented to avoid similar future cases.

Besides our CSR policy, employee conditions are described in the Employee Handbook which is distributed to all new employees in advance of first working day. The Employee Handbook is available to all employees in 2care4 ApS´s quality system which contain all quality standards. The content of the Employee Handbook includes History of the company, practical information, employee rights, the role of HR and governance of general working environment.

2care4 ApS does a yearly satisfaction survey which measures employee satisfaction- and motivation on several parameters. The survey is followed by action-plans on both overall company level and department level with the purpose of improving identified weaknesses and maintain areas which has positive impact on employee satisfaction and motivation.

The satisfaction survey in 2024 showed an overall Engagement score of 80 which is considered to be satisfactory. The result of the survey is presented at Board of Directors meeting in February the following year.

The survey will be performed on an annual basis going forward.

Environment and energy consumption

The energy consumption and general environmental footprint from the 2care4 Group's PI activities are very limited and has limited impact on the surrounding environment. Waste in our operations is one of our largest impacts and thus it is of great importance for 2care4 Group that we work to minimize work generation. We constantly work to improve recycling and number of resources we can reuse to generate as little waste as possible. Since the medical products are purchased as commodities, the Company has little opportunity to assess and evaluate impacts on the environment in the supply chain. This given that there is no contact with the original producer as such and, therefore, the Company has no influence on the production phase.

In our opinion, we as a Company comply with current legislation in the area, and we are in dialogue with our business partners concerning compliance with local legislation at the locations in the world where the Compnay´s products are manufactured. In 2024, we have had 0 cases of violation of legislation in the area.

The CSR policy (see link below), includes the Company´s policy on Environment and Climate. Since the policy was established in 2020 the following initiatives have concretely been implemented; optimized waste disposal, change to LED lightning and electricity consumption based on 100% sustainable energy.

https://www.epaper.dk/mss2care4/csrpolicy/csr-2care4-policy/

Going forward, 2care4 will ongoingly update the CSR policy to optimise the energy consumption and environmental footprint.

To support monitoring compliance of the corporate social responsibility, 2care4 implemented a Whistle-blower setup in 2023 which can be accessed both by employees and external stakeholders.

Management's review

Data ethics

The internal guidelines regarding data ethics in 2care4 ApS is focused on protection of personal data for the employees. The guideline contains description of which personal data the Company is storing and how the data is protected during and beyond employment with the company. The internal guidelines are available for all employees in the company´s system containing all quality standards (D4) and introduction and formal consent of having understood the guidelines are mandatory for all new employees.

Overall, the general protection of data in the Company is taken very seriously. The majority of data is embedded in the various data systems in the Company which are being monitored real time for data breaches and general access to data network is protected with two-factor user approval.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Subsequent events

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

Income statement 1 January - 31 December

	Note	2024	2023
		TDKK	TDKK
Revenue	1	1,230,471	1,205,653
Change in inventories of finished goods, work in progress and goods for resale		22,214	19,201
Expenses for raw materials and consumables		-1,078,288	-1,026,046
Other external expenses		-38,120	-36,390
Gross profit		**136,277**	**162,418**
Staff expenses	2	-85,209	-78,643
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-10,466	-8,398
Profit/loss before financial income and expenses		**40,602**	**75,377**
Financial income	4	7,725	5,548
Financial expenses	5	-22,159	-18,152
Profit/loss before tax		**26,168**	**62,773**
Tax on profit/loss for the year	6	-5,821	-13,924
Net profit/loss for the year	7	**20,347**	**48,849**

Balance sheet 31 December

Assets

	Note	2024	2023
		TDKK	TDKK
Completed development projects		18,758	11,222
Acquired licenses		11,188	8,325
Intangible assets	8	**29,946**	**19,547**
Other fixtures and fittings, tools and equipment		4,473	1,928
Leasehold improvements		2,973	2,984
Property, plant and equipment	9	**7,446**	**4,912**
Fixed assets		**37,392**	**24,459**
Inventories	10	**230,844**	**194,804**
Trade receivables		123,128	156,077
Receivables from group enterprises		122,526	64,958
Other receivables		2,528	2,447
Deferred tax asset	12	0	583
Prepayments	11	1,429	2,157
Receivables		**249,611**	**226,222**
Cash at bank and in hand		**11,248**	**1,224**
Current assets		**491,703**	**422,250**
Assets		**529,095**	**446,709**

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		TDKK	TDKK
Share capital		125	125
Reserve for development costs		14,632	8,754
Retained earnings		85,325	70,856
Proposed dividend for the year		0	25,000
Equity		**100,082**	**104,735**
Provision for deferred tax	12	2,769	0
Other provisions	13	14,633	17,927
Provisions		**17,402**	**17,927**
Lease obligations		1,073	295
Long-term debt	14	**1,073**	**295**
Credit institutions		318,195	140,516
Lease obligations	14	158	130
Trade payables		30,994	38,214
Payables to group enterprises		35,499	100,023
Payables to group enterprises relating to corporation tax		2,453	12,249
Other payables	15	23,239	32,620
Short-term debt		**410,538**	**323,752**
Debt		**411,611**	**324,047**
Liabilities and equity		**529,095**	**446,709**
Contingent assets, liabilities and other financial obligations	16		
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Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	125	8,754	70,856	25,000	104,735
Ordinary dividend paid	0	0	0	-25,000	-25,000
Development costs for the year	0	7,374	-7,374	0	0
Depreciation, amortisation and impairment for the year	0	-1,496	1,496	0	0
Net profit/loss for the year	0	0	20,347	0	20,347
Equity at 31 December	**125**	**14,632**	**85,325**	**0**	**100,082**

Notes to the Financial Statements

		2024	2023
		TDKK	TDKK
1.	**Revenue**		
	Geographical segments		
	Denmark	784,858	845,051
	EU	304,326	205,472
	Other world	141,287	155,130
		1,230,471	**1,205,653**
	Business segments		
	Human	1,230,471	1,205,653
		1,230,471	**1,205,653**

		2024	2023
		TDKK	TDKK
2.	**Staff expenses**		
	Wages and salaries	73,699	70,026
	Pensions	6,699	5,033
	Other social security expenses	1,378	1,180
	Other staff expenses	3,433	2,404
		85,209	**78,643**
	Including remuneration to the Executive Board and Board of Directors:		
	Executive board	2,632	
	Board of directors	1,437	
		4,069	
	Including remuneration to the Executive Board and Board of Directors		**4,531**
	Average number of employees	**158**	**131**

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK
3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		
Amortisation of intangible assets	7,906	6,937
Depreciation of property, plant and equipment	2,016	1,289
Gain and loss on disposal	544	172
	10,466	**8,398**

	2024	2023
	TDKK	TDKK
4. Financial income		
Interest received from group enterprises	5,728	4,815
Other financial income	27	0
Exchange adjustments	1,970	733
	7,725	**5,548**

	2024	2023
	TDKK	TDKK
5. Financial expenses		
Interest paid to group enterprises	3,928	4,887
Other financial expenses	18,231	13,265
	22,159	**18,152**

	2024	2023
	TDKK	TDKK
6. Income tax expense		
Current tax for the year	2,468	12,249
Deferred tax for the year	3,353	1,668
Adjustment of tax concerning previous years	0	7
	5,821	**13,924**

Notes to the Financial Statements

		2024	2023
		TDKK	TDKK
7.	**Profit allocation**		
	Proposed dividend for the year	0	25,000
	Retained earnings	20,347	23,849
		20,347	**48,849**

8. Intangible fixed assets

	Completed development projects	Acquired licenses
	TDKK	TDKK
Cost at 1 January	13,381	67,037
Additions for the year	9,454	9,316
Disposals for the year	0	-2,268
Cost at 31 December	22,835	74,085
Impairment losses and amortisation at 1 January	2,159	58,712
Amortisation for the year	1,918	5,988
Reversal of impairment and amortisation of sold assets	0	-1,803
Impairment losses and amortisation at 31 December	4,077	62,897
Carrying amount at 31 December	**18,758**	**11,188**
Amortised over	3-5 years	3 years

Completed development projects

Completed development projects include development and registration of pharmaceutical products for humans. Each product has a 3-5 year depreciation period, starting from when the product is launched in the market. The management has not established any indication for impairment of the current book value of the assets.

Notes to the Financial Statements

9. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	TDKK	TDKK
Cost at 1 January	9,174	7,215
Additions for the year	4,150	881
Disposals for the year	-966	0
Cost at 31 December	12,358	8,096
Impairment losses and depreciation at 1 January	7,246	4,231
Depreciation for the year	1,124	892
Reversal of impairment and depreciation of sold assets	-485	0
Impairment losses and depreciation at 31 December	7,885	5,123
Carrying amount at 31 December	**4,473**	**2,973**
Amortised over	3-10 years	5 years
Including assets under finance leases amounting to	1,426	0

10. Inventories

	2024	2023
	TDKK	TDKK
Raw materials and consumables	83,614	83,617
Work in progress	5,399	2,559
Finished goods and goods for resale	111,574	66,128
Prepayments for goods	30,257	42,500
	230,844	**194,804**

11. Prepayments

Prepayments consist of prepaid expenses.

	2024	2023
	TDKK	TDKK
12. Provision for deferred tax		
Deferred tax liabilities at 1 January	-583	-2,251
Amounts recognised in the income statement for the year	3,352	1,668
Deferred tax liabilities at 31 December	**2,769**	**-583**

	2024	2023
	TDKK	TDKK

13. Other provisions

The recognized provision amounts to kDKK 14,633 (2023: kDKK 17,927) to cover the estimated reimbursement of price reductions to customers and to cover items at customers and profit on goods that probably will be returned according to cooperation agreements. The provision is recognized based on previous experience regarding the extend of these liabilities.

	2024	2023
Other provisions	14,633	17,927
	14,633	**17,927**
The provisions are expected to mature as follows:		
Within 1 year	14,633	17,927
After 5 years	0	0
	14,633	**17,927**

Notes to the Financial Statements

	2024	2023
	TDKK	TDKK

14. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2024	2023
Lease obligations		
After 5 years	0	0
Between 1 and 5 years	1,073	295
Long-term part	1,073	295
Within 1 year	158	130
	1,231	**425**

	2024	2023
	TDKK	TDKK

15. Derivative financial instruments

Derivative financial instruments contracts in the form of forward exchange contracts have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

	2024	2023
Liabilities	538	2,508

The company has entered a currency forward contract to hedge future cashflow in Swedish kroner, totalling kSEK 142,100, Norwegian kroner, totalling kNOK 50,000, Euro, totalling kEUR 5.936 and Danish kroner, totalling kDKK 15,712 for January 2025. Compared to the forward exchange rates the contract hold a negative value of kDKK 538 The hedging does not meet the accounting criterias for hedging and the loss is therefore booked in the income statement under Other payables.

	Value adjustment, income statement	Fair value at 31. December
	TDKK	TDKK
Forward exchange contracts	1,970	538

16. Contingent assets, liabilities and other financial obligations

	2024	2023
	TDKK	TDKK

Charges and security

The following assets have been placed as security with bankers:

As collateral for bank loans kDKK 326.658, the company has issued af floating company charge at nominal value kDKK 150,000 including the following assets, which on the 31st of december 2024 amounts to kDKK.

	2024	2023
Trade receivables	123,128	156,077
Inventories	230,844	194,804
Fixture and fittings, tools and equipment (excl. finance leasing)	6,020	4,415
Intangible assets	29,946	19,547

Rental and lease obligations

	2024	2023
The following assets have been placed as security for rent obligations for a period of 6 months.	1,880	1,634

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of 2care4 Group ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

17. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
2care4 Group ApS, Esbjerg	Parent company
Other related parties	
Henrik Bisgaard Jensen, Esbjerg	Member of the Board of Directors
Toke Værnedal, Esbjerg	Member of the Board of Directors
Ulrik Ernst Rasmussen	Executive Board
Thomas Hjarsbæk Rasmussen	Executive Board

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
2care4 Group ApS	Stenhuggervej 12, 6710 Esbjerg V

18. Fee to auditors appointed at the general meeting

The company has, in accordance with Section 96, subsection 3, number 2 of the Annual Accounts Act, omitted to disclose the fee to the auditor elected by the general meeting.

19. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

20. Accounting policies

The Annual Report of 2care4 ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of , the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with 2care4 Group ApS. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Development projects

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights and acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, anamount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but not more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

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

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:

Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5 years

The residual values are estimated at the following percentage of the cost:

Other fixtures and fittings, tools and equipment	7 %

The residual value of other fixed assets is determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

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

If so, the asset is written down to its lower recoverable amount.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of primary operations x 100 / Revenue
Return on assets	Profit/loss of primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity