Pharma IT ApS

C/O Jakob Juul Rasmussen Søbyvej 11, 2650 Hvidovre

Company reg. no. 37 32 05 95

Annual report

1 January - 31 December 2024

The annual report was submitted and approved by the general meeting on the 30 June 2025.

Jakob Juul Rasmussen
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of Pharma IT ApS for the financial year 1 January - 31 December 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and 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 and cash flows for the financial year 1 January – 31 December 2024.

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

We recommend that the annual report be approved at the Annual General Meeting.

Hvidovre, 30 June 2025

Executive board

Søren Winkel	Jakob Juul Rasmussen	Peter-Emil Iversen

Board of directors

Xavier Duburcq	Jakob Juul Rasmussen	Søren Winkel

Independent auditor's report

To the Shareholders of Pharma IT ApS

Opinion

We have audited the financial statements of Pharma IT ApS for the financial year 1 January - 31 December 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, statement of cash flows and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

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

Basis for conclusion

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.

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.

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the 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.

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.

Independent auditor's report

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, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 30 June 2025

Redmark
Godkendt Revisionspartnerselskab
Company reg. no. 29 44 27 89

Henrik Juul Thomsen
State Authorised Public Accountant
mne33734

Company information

The company	Pharma IT ApS C/O Jakob Juul Rasmussen Søbyvej 11 2650 Hvidovre	
	Company reg. no.	37 32 05 95
	Established:	21 December 2015
	Financial year:	1 January - 31 December
Board of directors	Xavier Duburcq Jakob Juul Rasmussen Søren Winkel	
Executive board	Søren Winkel Jakob Juul Rasmussen Peter-Emil Iversen	
Auditors	Redmark Godkendt Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg	
Bankers	Ringkjøbing Landbobank	

Financial highlights

DKK in thousands.	2024	2023	2022	2021	2020
Income statement:					
Profit from operating activities	27.951	17.476	19.125	7.343	18.471
Net financials	-381	-319	-937	-200	-296
Net profit or loss for the year	21.438	13.302	14.102	5.195	14.122
Statement of financial position:					
Balance sheet total	95.397	73.279	52.959	37.485	42.559
Investments in property, plant and equipment	0	462	0	0	0
Equity	51.116	29.678	16.376	8.343	14.287
Employees:					
Average number of full-time employees	112	124	117	75	53
Key figures in %:					
Acid test ratio	207,1	153,0	139,1	114,3	138,2
Solvency ratio	53,6	40,5	30,9	22,3	33,6
Return on equity	53,1	57,8	114,1	45,9	143,5

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Acid test ratio

$$\frac{\text{Current assets x 100}}{\text{Short term liabilities other than provisions}}$$

Solvency ratio

$$\frac{\text{Equity, closing balance x 100}}{\text{Total assets, closing balance}}$$

Return on equity

$$\frac{\text{Net profit or loss for the year x 100}}{\text{Average equity}}$$

Management´s review

Description of key activities of the company

The company's principal activities are to provide consultancy services related to information technology.

Uncertainties about recognition or measurement

There are no significant uncertainties regarding recognition and measurement.

Development in activities and financial matters

Net profit or loss totals DKK 21.437.534 against DKK 13.301.910 last year. Management considers the net profit or loss for the year as expected.

The company has continued its normal operating activities. There have been no individual events during the financial year of such material significance that they require mention in the management’s review.

Expected developments

Results for the financial year 2025 are expected to be in line with the financial year 2024, with profit before taxes of DKK 27.500.000.

Research and development activities

Development projects concern the development of IT-software to the pharmaceutical industry. There are no particular uncertainties associated associated with the recognized developments costs.

Events occurring after the end of the financial year

No events have occurred after the end of the financial year that will significantly affect the assessment of the company's conditions.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2024	2023
	Gross profit	**163.256.837**	**150.919.402**
2	Staff costs	-132.642.152	-131.102.340
	Depreciation, amortisation, and impairment	-2.663.521	-2.208.952
	Other operating expenses	0	-132.233
	Operating profit	**27.951.164**	**17.475.877**
	Other financial income	51.937	14.686
3	Other financial expenses	-432.507	-333.331
	Pre-tax net profit or loss	**27.570.594**	**17.157.232**
4	Tax on net profit or loss for the year	-6.133.060	-3.855.322
5	**Net profit or loss for the year**	**21.437.534**	**13.301.910**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2024	2023
	Non-current assets		
6	Completed development projects, including patents and similar rights arising from development projects	4.921.873	7.433.036
	Total intangible assets	4.921.873	7.433.036
7	Other fixtures, fittings, tools and equipment	243.387	395.745
	Total property, plant, and equipment	243.387	395.745
8	Deposits	740.857	1.246.292
	Total investments	740.857	1.246.292
	Total non-current assets	**5.906.117**	**9.075.073**
	Current assets		
	Trade receivables	35.650.798	36.443.965
	Receivables from group enterprises	24.322.891	4.227.241
	Other receivables	20.938	23.840
9	Prepayments	0	679.969
	Total receivables	59.994.627	41.375.015
	Cash and cash equivalents	29.496.455	22.829.134
	Total current assets	**89.491.082**	**64.204.149**
	Total assets	**95.397.199**	**73.279.222**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2024	2023
	Equity		
	Contributed capital	100.000	100.000
	Reserve for development costs	3.839.061	5.797.768
	Retained earnings	47.176.822	23.780.581
	Total equity	**51.115.883**	**29.678.349**
	Provisions		
10	Provisions for deferred tax	1.079.223	1.646.153
	Total provisions	**1.079.223**	**1.646.153**
	Liabilities other than provisions		
	Bank loans	138.444	190.556
	Trade payables	1.344.139	4.851.381
	Income tax payable to group enterprises	6.699.990	1.726.662
	Other payables	35.019.520	35.186.121
	Total short term liabilities other than provisions	43.202.093	41.954.720
	Total liabilities other than provisions	**43.202.093**	**41.954.720**
	Total equity and liabilities	**95.397.199**	**73.279.222**

1 Special prerequisites when measuring development projects

11 Charges and security

12 Contingencies

13 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity 1 January 2024	100.000	5.797.768	23.780.581	29.678.349
Retained earnings for the year	0	0	23.396.241	23.396.241
This year's allocation to reserve	0	-1.958.707	0	-1.958.707
	100.000	**3.839.061**	**47.176.822**	**51.115.883**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		2024	2023
	Results for the year	21.437.534	13.301.910
14	Adjustments	9.177.151	6.382.919
15	Change in working capital	-22.293.456	-1.224.739
	Cash flows from operating activities before net financials	8.321.229	18.460.090
	Interest received, etc.	51.938	14.686
	Interest paid, etc.	-432.507	-333.331
	Cash flows from ordinary activities	7.940.660	18.141.445
	Corporate tax paid	-1.726.662	-4.332.206
	Cash flows from operating activities	**6.213.998**	**13.809.239**
	Purchase of intangible assets	0	-7.948.319
	Sale of intangible assets	0	1.142.700
	Purchase of property, plant, and equipment	0	-461.691
	Purchase of fixed asset investments	0	-1.085.353
	Purchase of financial instruments	505.435	0
	Cash flows from investment activities	**505.435**	**-8.352.663**
	Changes in short-term bank loans	-52.112	-20.325
	Cash flows from financing activities	**-52.112**	**-20.325**
	Change in cash and cash equivalents	**6.667.321**	**5.436.251**
	Cash and cash equivalents at 1 January 2024	22.829.134	17.392.883
	Cash and cash equivalents at 31 December 2024	**29.496.455**	**22.829.134**

	Cash and cash equivalents		
	Cash and cash equivalents	29.496.455	22.829.134
	Cash and cash equivalents at 31 December 2024	**29.496.455**	**22.829.134**

Notes

All amounts in DKK.

1. Special prerequisites when measuring development projects

The recognized development projects are calculated at cost price, cf. the rules of the Danish Accounting law. The development projects are capitalized as they are IT software development at the request of customers who pay a license for the use of the fully developed project. There is a contract with a binding period from both parties before a development project begins. Based on this, the company's management has assessed that there is a market potential for the calculated development projects.

		2024	2023
2.	**Staff costs**		
	Salaries and wages	122.192.001	119.544.949
	Pension costs	10.051.181	10.459.953
	Other costs for social security	398.970	1.097.438
		132.642.152	**131.102.340**
	Executive board	3.234.268	4.529.284
	Average number of employees	112	124
3.	**Other financial expenses**		
	Financial costs, group enterprises	283.468	41.036
	Other financial costs	149.039	292.295
		432.507	**333.331**
4.	**Tax on net profit or loss for the year**		
	Tax on net profit or loss for the year	6.699.990	2.818.662
	Adjustment of deferred tax for the year	-566.930	1.036.660
		6.133.060	**3.855.322**
5.	**Proposed distribution of net profit**		
	Transferred to retained earnings	23.396.241	9.665.072
	Transferred to other reserves	-1.958.707	3.636.838
	Total allocations and transfers	**21.437.534**	**13.301.910**

Notes

All amounts in DKK.

		31/12 2024	31/12 2023
6.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost 1 January 2024	11.342.944	3.394.625
	Additions during the year	0	7.948.319
	Cost 31 December 2024	**11.342.944**	**11.342.944**
	Amortisation and write-down 1 January 2024	-3.909.908	-1.766.902
	Amortisation and depreciation for the year	-2.511.163	-2.143.006
	Amortisation and write-down 31 December 2024	**-6.421.071**	**-3.909.908**
	Carrying amount, 31 December 2024	**4.921.873**	**7.433.036**
7.	**Other fixtures, fittings, tools and equipment**		
	Cost 1 January 2024	461.691	0
	Additions during the year	0	461.691
	Cost 31 December 2024	**461.691**	**461.691**
	Amortisation and write-down 1 January 2024	-65.946	0
	Amortisation and depreciation for the year	-152.358	-65.946
	Amortisation and write-down 31 December 2024	**-218.304**	**-65.946**
	Carrying amount, 31 December 2024	**243.387**	**395.745**
8.	**Deposits**		
	Cost 1 January 2024	1.246.292	160.939
	Additions during the year	0	1.085.353
	Disposals during the year	-505.435	0
	Cost 31 December 2024	**740.857**	**1.246.292**
	Carrying amount, 31 December 2024	**740.857**	**1.246.292**

9. Prepayments

Prepayments are prepaid cost for the financial year 2025 and consists of license, rent etc.

Notes

All amounts in DKK.

		31/12 2024	31/12 2023
10.	**Provisions for deferred tax**		
	Provisions for deferred tax 1 January 2024	1.646.153	609.493
	Deferred tax relating to the net profit or loss for the year	-566.930	1.036.660
		1.079.223	**1.646.153**

11. Charges and security

There are no charges or security provided as of 31 December 2024.

12. Contingencies

Contingent liabilities

The company has entered into a lease agreement. The lease is non-terminable until 31 July 2026, after which it can be terminated with six months’ notice. The total lease obligation is calculated at TDKK 2.882.

Joint taxation

With ProductLife Group ApS, company reg. no 43253077 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

Notes

All amounts in DKK.

13. Related parties

Pharma IT ApS's related parties includes the following:
Director Jakob Juul Rasmussen
Director Søren Winkel
Director Peter-Emil Iversen
Director Birgitte Sloth

ProductLife ApS
ProductLife Group ApS
Groupe Product Life S.A.S

In 2024, the company had transactions with related parties. The trades took place on market terms.

14. Adjustments

Depreciation, amortisation, and impairment	2.663.521	2.208.952
Other financial income	-51.937	-14.686
Other financial expenses	432.507	333.331
Tax on net profit or loss for the year	6.133.060	3.855.322
	9.177.151	**6.382.919**

15. Change in working capital

Change in receivables	-18.619.612	-8.739.851
Change in trade payables and other payables	-3.673.844	7.515.112
	-22.293.456	**-1.224.739**

Accounting policies

The annual report for Pharma IT ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross profit

Gross profit comprises the revenue, other operating income, direct costs and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Direct costs include costs for external consultants.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises and loss on receivables.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs comprise salaries, wages, and amortisation directly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and write-downs for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 2-5 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Accounting policies

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3 years	0 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. In order to meet expected losses, impairment takes place at the net realisable value.

Prepayments

Prepaymentsrecognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, Pharma IT ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the company's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and shortterm financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.