

Phillips-Medisize A/S
Gimsinglundvej 20
DK – 7600 Struer

Annual Report 2024

1 January – 31 December 2024

The Annual Report was presented
And adopted at the annual General
Meeting of the group on
9 July 2025

Signed by:

David Cole

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Chairman, David W. Cole

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Financial Highlights

Phillips-Medsize A/S

	2020	2021	2022	2023	2024
(DKK million)	1/1 - 31/12	1/1 - 31/12	1/1 - 31/12	1/1 - 31/12	1/1 - 31/12
Profit/loss					
Revenue	275	361	378	482	426
Operating profit/loss before depreciation (EBITDA)	19	55	70	119	23
Operating profit/loss (EBIT)	13	50	64	113	18
Net financials	-1	-3	0	-3	3
Operating profit/loss before tax (EBT)	12	47	65	110	21
Net profit/loss for the period after tax	10	37	49	83	12
Balance sheet					
Balance sheet total, year end	247	245	321	385	242
Share capital	17	17	17	17	17
Equity, year end	72	109	158	241	114
Hereof cash flows from:					
Operating activities	-14	71	37	137	-31
Investing activities	-23	-4	-9	-6	-7
- incl investments in intangible assets	-5	0	0	0	0
- incl investments in property, plant & equipment	-18	-4	-9	-5	-7
Financing activities	-1	-3	0	-3	-137
Ratios					
Profit margin, %	4,8	13,9	17,1	23,5	4,3
Return on assets, %	6,8	20,5	22,8	32,1	5,8
Return on invested capital					
Exclusive of goodwill, %	26,6	61,8	52,9	63,0	13,9
Return on equity	14,4	40,9	36,8	41,8	6,8
Liquidity ratio	1,2	1,5	1,7	2,4	1,5
Equity ratio, %	29,1	44,5	49,2	62,6	46,9
Equity ratio, incl. subordinate loan, %	29,1	44,5	49,2	62,6	46,9
Financial gearing					
Exclusive of goodwill	3,8	3,3	2,4	2,2	3,7

Definition of Financial Ratios

Profit margin:	Operating profit/loss x 100 Revenue
Return on assets:	Operating profit/loss x 100 Average operating assets
Return on invested capital excl goodwill	Operating profit/loss before depreciation and goodwill amortisation Average invested capital excl goodwill
Liquidity ratio:	Current assets Current liabilities
Equity ratio	Equity end of year x 100 Liabilities and equity end of year

Company information

Phillips-Medisize A/S
CVR no 24053415

Country of registration

Denmark

Board of directors

David William Cole (chairman)
Brett Alan Landrum
Sean David Rice

Executive Board

Cecilie Rørbye

Main Bankers

Citibank

Main office

Phillips-Medisize A/S
Gimsingslundvej 20
DK-7600 Struer

factures medical devices.

Auditors

Grant Thornton
Lautrupsgade 11
DK-2100 Copenhagen O

Ownership

Philips-Medisize Holdings A/S
Gimsingslundvej 20
DK-7600 Struer
Ownership share: 100%

Management's Review

Philips-Medisize A/S is research and development of innovative drug delivery devices and connected health solutions. The Company's core focus lies in driving innovation through strategy, feasibility studies, and cutting-edge development projects that address the evolving needs of its global customers. With an unwavering commitment to groundbreaking design, user-friendliness, functionality, and safety, Philips-Medisize A/S specializes in creating transformative healthcare solutions.

While research and development form the cornerstone of the Company's business, production activities are conducted to bring these pioneering concepts to life. In some cases, the manufacturing of developed products is transferred to other Philips-Medisize entities around the globe, ensuring scalability and efficiency. This approach allows the Company to maintain its primary focus on delivering innovative, development-driven solutions that shape the future of healthcare.

Development in activities and financial circumstances

In the period 1 January – 31 December 2024, the Company's revenue amounted to DKK 425.5 million compared with DKK 481.9 million in previous year, a decrease of DKK 56.4 million, or 12%.

Overall, 2024 ended with a profit after taxes of DKK 12.1 million, which compared to the DKK 83.4 million in 2023 being a decrease.

The Company will continue to develop and execute the focused strategy within drug delivery devices and connected health and will long-term expect growth both in the projects and production business as well as expectation of transferring successful development projects to production sites elsewhere in the company.

Research and development activities

A Phillips-Medisize corporate initiative to invest further in developing technology accelerators and IP positions to include product platform, have continued to be one of the key areas in the year – going forward, the project portfolio is expected to include a) Platform development projects, b) variant development projects based on platforms and c) bespoke development projects.

Significant post balance sheet events

From the balance sheet date until today, no events have occurred which significantly affect the assessment of the Annual Report.

Expected development

The Company's financial performance remains closely tied to the anticipated order intake and the timing of those orders. While sales from contracted innovation projects and corporate-funded platform projects are expected to decline, this decrease is expected to be offset by growth in product maintenance as premium service, as well as increased activities in clinical builds and regular manufacturing. Consequently, the revenue for 2025 is projected to remain stable at approximately the same level as in 2024, with planned revenue of DKK 434.8 million.

Strategically, the Company aligns exceptionally well with Phillips-Medisize/Molex, which is expected to further strengthen long-term growth established in prior years. This growth will be evident both at the headquarters in Struer and the office in Virum in Denmark, as well as through operations in Cambridge, United Kingdom.

Cost management will remain a high priority. The mix of projects, manufacturing activities, and continued integration efforts is anticipated to influence the operating result in 2025. The projected net income for 2025 is approximately DKK 61.9 million.

The Company's capital structure

The Company has a solid equity and will continue to secure a sound financial structure in combination with the owners.

Quality management

Phillips-Medisize A/S' quality management system, which is certified according to the EN ISO 13485:2016 standard and the MDSAP program supports the Company's design, development, and manufacture of medical devices for drug dosage and administration of drugs and connected digital health solutions. Further the quality management system is in accordance with the national implementation of the EU Medical Device Regulation (2017/745), and moreover contains elements which ensure compliance with the requirements of U.S. FDA's 21 CFR 820 Quality System Regulation, Japan Quality Management System Compliance MHLW Ordinance No. 169, Canadian Medical Device Regulation (SOR/98-282), Brazil Medical Device Regulation (GMP:RDC ANVISA 665/2022 and MDR: RDC ANVISA 40/2015) and finally the Australian Medical Device Regulation (TG(MD)R 2002).

Intellectual capital resources

The Company's present and future business is based on the development and manufacture of highly innovative medical devices and services. This foundation has been further developed being owned by Phillips-Medisize/Molex.

Phillips-Medisize A/S focuses on maintaining and developing the competences, which are the core of the Company's innovation capacity. In practice, this means that Phillips-Medisize A/S is constantly exploring new opportunities.

Innovative environment

Phillips-Medisize A/S has for many years given high priority to innovation. Innovation is based on the Company's vision and is incorporated in the corporate culture and the Company's values and reinforced in the management philosophy of the owner.

The Company has well-founded corporate culture. This means that the employees have natural passion for innovation and are dedicated to creating "the world's most effective and unique drug delivery devices and connected health solutions".

Cooperation with universities

Cooperation with knowledge center, including universities, is a natural part of our work and an important factor in the further development of our core competences. Phillips-Medisize A/S has a long tradition of this and cooperates with leading universities. The development engineers participate in for instance relevant professional networks and conferences.

Cooperation with suppliers

Phillips-Medisize A/S cooperates with some of the world's best suppliers, in a number of areas in which the Company does not itself have the necessary knowledge and competence. This also includes supplies originating within the greater Molex company. Not only do these partners provide components to Phillips-Medisize A/S, but they also provide knowledge and competence for the development of this products. Furthermore, Phillips-Medisize A/S benefits from having very competent customers – typically the large

pharmaceutical companies – which have considerable knowledge resources which are also of benefit to Phillips-Medsize A/S through cooperation in joint development projects.

Corporate social responsibility and environment

Phillips-Medsize A/S is aware of its corporate social responsibility, which is expressed partly in the Company's actions towards its own employees, and partly in its actions towards other stakeholders. Phillips-Medsize A/S' policies in the area are integrated part of the Company's staff policy, Quality Management System and other systems and, among other things, address harassment, discrimination and mobbing in the workplace as well as unethical business behaviour, bribery, corruption, etc. Phillips-Medsize A/S had also communicated a whistle-blower policy to ensure that any in expediency is identified and brought to an end.

Our customers, partners and owners regularly evaluate Phillips-Medsize A/S' status toward corporate social responsibility.

Phillips-Medsize A/S' environmental policy, contributes to ensuring that the Company meets its social responsibility.

Environmental policy

Phillips-Medsize A/S wants its name to be associated with quality. We want our customers to contract our services based on confidence in us in respect of us making intelligent decisions on their behalf – also in respect of environmental issues.

Any human behaviour has an impact on the surroundings. Phillips-Medsize A/S is constantly working on reducing the environmental impact and creating balance between this impact and the consideration for the performance characteristics of our product, finances, lifetime, and aesthetics. We wish to contribute to a globally sustainable development and consider our activities in a lifecycle perspective. The Company is thus considering environmental efforts and seeks to minimize the negative effects:

- Throughout the development (idea, design, and engineering)
- When selecting raw materials
- During manufacturing – and when optimizing procedures.
- Concerning Transport
- During use and disposal of our solutions

We always enter into dialogue with the supervising authorities to find the best solutions and in this way limit the pollution as far as possible.

We emphasize the considering for the immediate environment and for a safe and healthy working environment for our employees. Our focus is on improving both the physical and mental working environment.

When choosing suppliers, we ensure that these have an appropriate environmental behaviour and approach. We wish to have an ongoing dialogue with any supplier on creating good environmental conditions in the part of the lifecycle of the product for which we are responsible.

Sustainability of products in the drug delivery device space becomes more and more important to our clients, one of the key parameters for a product platform is sustainability, minimizing the disposable part, which is typical needed for drug integrity and patient safety. By changing from a pure disposable and one time use device, which is the competitive position, to a device consisting of a reusable and disposable part, we are able to deliver a much more environmentally friendly device solution to certain drug types.

It is Phillips-Medisize A/S' opinion that the Company's policies in 2024 have contributed to ensuring that Phillips-Medisize A/S fully complies with its environmental responsibility, which is also expected to be the case in future.

Responsible Business Practices and Code of Conduct

At Phillips Medisize A/S, integrity, compliance and responsibility at all levels of the organization are highlighted in our Principle Based Management philosophy and our Code of Conduct¹. Our management philosophy supports fair and honest competition and open markets, as highlighted in Our Values².

We are committed to full compliance with all applicable laws wherever we operate. This includes laws relating to freedom of association, privacy, the prohibition of forced and child labor, and employment discrimination. We also share our Code of Conduct with nonemployees, contractors, suppliers, partners, vendors, and third-party intermediaries so that they help us achieve our strategic goals by better understanding and acting within the principles that drive our business. We also perform an appropriate level of due diligence and responsible selection and management of our third-party intermediaries as a core tenet of how we do business

Phillips Medisize A/S offers specific, risk-based training on these issues to all of its employees worldwide. The Koch Guideline³ is manned by an independent, third-party operator 24 hours a day, seven days a week, and can be accessed by any employee. Calls are free and can be made anonymously, where permitted by local law.

All Phillips Medisize A/S employees and leaders – including executives and management – are expected to embrace and demonstrate our company culture, embodied for individuals by Our Values. In addition, all managers are responsible for the actions of their teams in terms of environment, health and safety, and for carrying out their activities in accordance with our culture, as established in our Code of Conduct.

Environmental Stewardship

As a principled organization, Phillips Medisize A/S is committed to global stewardship and compliance, which extends to environmental excellence. This commitment is articulated in our Stewardship framework and vision.

Stewardship is not a new priority for Phillips Medisize A/S and is ingrained in our company culture. It is a fundamental part of our company's management philosophy, Principle Based Management™, and Our Values. At Phillips Medisize A/S, we seek to find bottom-up solutions that advance our vision of Stewardship and our environmental priorities of innovation, energy efficiency, air quality, water, and responsible resource management. To learn more about our specific priorities, please see our Stewardship Framework.

- To view our full Stewardship Framework, visit: <https://www.kochind.com/responsibility>.
- To learn more about Stewardship at Phillips Medisize, visit: <https://www.molex.com/en-us/about/stewardship>
- Download our Global Environmental, Health and Safety Policy⁴.
- To view our Stewardship in Action Fact Sheet, see attached.

As part of our change management process, we will continue to assess any potential environmental impacts. We will continue to strive to create more value for our customers while minimizing environmental

¹ <https://codeofconduct.kochinc.com/>

² <https://www.kochinc.com/about/business-philosophy>

³ https://app.convercent.com/en-us/LandingPage/09735a8a-2d32-ea11-a972-000d3ab9f062?_=1581610594586

⁴ https://www.molex.com/content/dam/molex/molex-dot-com/en_us/pdf/general/ehs_201404_0005.pdf?inline

impact by using fewer resources, reducing water consumption and discharge, minimizing waste, and improving energy efficiency.

Suppliers are expected to comply with all legal requirements as outlined in our Code of Conduct for Suppliers (<https://www.suppliers.molex.com/suppliers/english/2156770003.pdf>). Additional information on our supply chain expectations can be found at <https://www.suppliers.molex.com/supplier/>.

Social Stewardship

Phillips-Medisize A/S (“the Company”) recognizes our employees as the most valuable asset. We empower each individual at every level of the team to bring their unique perspective, expertise and background to shape decisions and impact change, which enables employees to transform the future and improve lives. Our solutions make a real difference in our communities – each employee is a part of that. Therefore, the Company is committed to providing a healthy work environment for all employees, as well as, promoting continuous education and self-actualization of our workforce to make sure their competencies stay updated and relevant. Furthermore, Phillips-Medisize A/S encourages an atmosphere of open dialog and offers different types of leave policy.

Business success is not only measured in profits, but also by the company's impact on the communities it serves. At Phillips-Medisize A/S, we recognize the importance of engaging with communities around the world and promoting inclusion, diversity and support for our neighbors. We are committed to addressing the challenges of tomorrow through impactful programs and partnerships. By investing where we operate, we hope to create a positive and prolonged impact for generations to come.

Human Rights

At Phillips-Medisize A/S we recognize our social responsibility towards our employees and other people. We are advocates for the principles of human progress. These include integrity, responsibility, innovation, respect, tolerance, humility, equality before the law, free speech and exchange, and mutual benefit. A free society is one that provides equal opportunity for everyone. Our company's approach is to remove barriers to opportunity by continuing to incorporate these principles into our businesses.

As noted in “Our Commitment to Lawful Labor and Employment Practices” in our Code of Conduct, “We are committed to adhering to applicable employment and labor laws everywhere we operate. This includes observing those laws that pertain to child labor, forced labor, human trafficking, wages and work hours and freedom of association.” A copy of our Code of Conduct can be downloaded at: <https://codeofconduct.kochinc.com/>.

Phillips Medisize A/S offers specific, risk-based training to all of its employees, worldwide covering the topics of inclusion, tolerance, anti-harassment and conducting business with respect to our Stewardship framework and Code of Conduct.

The company is committed to training all workers on these topics and firmly prohibits retaliation against anyone who, in good faith, reports a concern or raises a complaint. In addition, the Company prohibits retaliation against anyone who, in good faith, assists or participates in the resolution of a complaint or in any internal or external investigation or proceeding.

Fighting Corruption and Bribery

Our Code of Conduct formalizes the values and principles that must be followed by the people who make up the company in the fulfillment of their labor, commercial and professional relationships. To ensure that all employees are aware of this, a copy of the Code of Conduct is attached to all labor and commercial contracts.

Phillips Medisize A/S employees and other stakeholders must avoid any situation involving a conflict of interest and refrain from intervening or influencing decision-making in which, directly or indirectly, they have a personal interest. Phillips Medisize A/S does not offer or accept bribes, kickbacks or other corrupt payments, regardless of local practice or perceived custom. These rules are included in the Code of Conduct that all employees must follow.

Regarding the relationship with public powers, these will be guided by our Code of Conduct and compliance with the law. Collaboration or membership in political parties, foundations or entities that exceed the Company's own will be done on a personal basis, without involving the Company.

Failure to comply with the Code of Conduct may entail infractions with penalties provided for in legal and labor regulations. In the event that a Phillips Medisize employee has knowledge or reasonable indications of illegal actions or actions contrary to the Code of Conduct, they must communicate it as indicated in the Code of Conduct. The identity of the complainant will be considered confidential information to the extent consistent with our legal and ethical responsibilities.

Currently, the measures in place in this regard are the control of monthly closings, balance sheets, profit and loss, and accounting audits. There is training that is given through the myLearning platform with a certain periodicity to ensure that employees receive training on the expectations related to anti-corruption policies and procedures.

No complaints or cases related to corruption or bribery have been registered within the Phillips Medisize A/S operations in 2024. Neither have there been any potential risks in this matter that may affect the Company.

There is training that is given through the myLearning platform with a certain periodicity to minimize the fact that employees carry out fraudulent operations. In addition, this point is referenced in the Code of Conduct, which is mandatory for all employees.

Inclusion and Diversity

Foundational to Our Values is to treat everyone with dignity and respect, encourage and foster networking, and sponsor inclusive activities that focus on shared interests. We celebrate the uniqueness of each individual. Characteristics such as heritage, gender, and many others often inform an individual's experiences and perspectives and can help them create value. We believe that no single characteristic should be used to define another person. Every employee is unique and has the opportunity to be included and find work that aligns with their individual gifts and passions. Thus Phillips-Medisize A/S opted not to define goals specific to the percentage of gender-based roles with regards to managerial positions. The Company recognizes the benefits of diversity, including gender balance. However, the Company feels that gender is only one component of diversity. Management and leadership roles will continue to be selected on the basis of wide-ranging experience, backgrounds, skills, knowledge and insights.

Data Ethics Policy

Phillips-Medisize A/S continues to grow and build upon our principle-based approach to all business activities, including Data Ethics. We recognize the increasing importance of accessing, maintaining and exchanging the data in a safe and efficient manner as a fundamental part of modern business. To be able to operate reliably and at the same time in line with legislation on data privacy, the Company introduced measures, such as:

- online trainings on data/documentation management, retention and privacy,
- online trainings on IT security, password management, hacking and phishing threats,
- providing IT security solutions to enable secure office and remote work,
- putting extra attention to sensitive data,
- periodical review of user access to platforms and applications within the Company.

Phillips-Medisize A/S will continue to develop data-related strategies and solutions to ensure working environment that is safe and reliable for our employees, customers and partners in the coming year.

Management's Statement

The Board of directors and the Executive Board have today considered and adopted the Annual Report of Phillips-Medisize A/S for the financial year 1. January – 31. December 2024.

The Annual Report is prepared in accordance with the International Financial Reporting Standards as adopted by the EU. Moreover, the financial statements is prepared in accordance with additional requirements of 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's operations and cash flows for 2024.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and the financial position of the Company as well as a description of the most significant risks and elements of uncertainty facing the Company.

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

Struer 9 July 2025

Executive board

Signed by:

74075B591E1C431...
Cecilie Rørbye
Executive Director

Board of Directors

Signed by:

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David W. Cole
Chairman

Signed by:

21CD0F100F5946B...
Brett Landrum

Signed by:

0F67B92EB9FE4BA...
Sean Rice

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Phillips-Medsize A/S

Opinion

We have audited the Financial Statements of Phillips-Medsize A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, for the Company. The Financial Statements are prepared under International Financial Reporting Standards as adopted by the EU and additional requirements 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 operations as well as the cash flows for the financial year 1 January - 31 December 2024 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements under the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 International Financial Reporting Standards as adopted by the EU and additional requirements under 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 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, 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 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

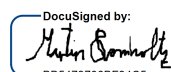
Management is responsible for Management's Review. Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon. In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, 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 Acts. We did not identify any material misstatement of Management's Review.

Copenhagen, 9 July 2025

Grant Thornton

Certified Public Accountants
Company reg. no. 34 20 99 36

DocuSigned by:


BB5473706BF34C5

Martin Bomholtz
State Authorised Public Accountant
mne34117

Comprehensive income statement

Phillips-Medysize A/S

(DKK '000)

Financial Statements 1 January - 31 December 2024

		<u>2024</u>	<u>2023</u>
Notes			
5	Revenue	425.551	481.932
6	Production costs	<u>(352.793)</u>	<u>(310.890)</u>
	Gross profit/loss	72.758	171.043
6	Distribution and marketing expenses	(8.867)	(8.010)
6	Administrative expenses etc	<u>(45.788)</u>	<u>(49.569)</u>
	Operating profit/loss	18.103	113.464
7	Financial income	8.279	5.820
8	Financial expenses	<u>(5.615)</u>	<u>(8.889)</u>
		<u>2.664</u>	<u>(3.070)</u>
	Profit/loss on ordinary activities before tax	20.767	110.394
9	Tax on profit/loss on ordinary activities	<u>(8.623)</u>	<u>(26.971)</u>
	Net profit/loss for the year	12.144	83.423
	Other comprehensive income	<u>-</u>	<u>-</u>
	Total comprehensive income	12.144	83.423

Assets

Phillips-Medsize A/S

(DKK '000)

Financial Statements 1 January - 31 December 2024

		2024	2023
Notes			
	Intangible assets		
	Acquired rights	527	927
10	Total intangible assets	527	927
	Property, plant and equipment		
	Land and building	35.926	28.937
	Plant and machinery	9.054	13.076
	Fixtures and fittings, tools and equipment	1.204	1.759
	Leasehold improvements	468	736
11	Total property, plant and equipment	46.653	44.508
12	Right-of-use assets	159	973
	Financial assets		
13	Other financial receivables	95	51
14	Investment in subsidiaries	-	-
	Total financial assets	95	51
	Total non-current assets	47.434	46.458
15	Inventories	49.772	33.930
	Receivables		
16	Trade receivables from group enterprises	56.557	63.989
18	Contract work in progress	11.374	5.975
19	Other receivables	4.302	1.927
20	Prepayments	1.772	1.455
	Total receivables	74.005	73.346
	Cash at bank and in hand	71.099	231.690
	Total current assets	194.875	338.966
	Total assets	242.310	385.425

Liabilities and equity

Phillips-Medsize A/S

(DKK '000)

		2024	2023
Notes			
	Equity		
21	Share capital	16.778	16.778
22	Retained earnings	96.758	84.613
	Proposed dividend for the year	-	140.000
	Total equity	113.536	241.391
	Non-current liabilities		
23	Deferred tax	449	581
24	Provisions	826	732
12	Lease liabilities	-	102
	Total non-current liabilities	1.275	1.415
	Current liabilities		
	Bank debts	14.192	-
24	Provisions	173	22.261
12	Lease liabilities	159	871
	Trade payables	7.561	6.127
18	Prepayments on contracts	21.531	48.461
17	Payables to group enterprises	51.375	22.820
9	Current tax payables	3.773	26.543
25	Other payables	28.735	15.535
	Total current liabilities	127.499	142.619
	Total liabilities	128.774	144.034
	Total liabilities and equity	242.309	385.425

Statement of Changes in Equity

Phillips-Medysize A/S

(DKK '000)

Financial Statements 1 January - 31 December 2024

	Share Capital	Retained Earnings	Proposed dividend for the year	Total
Equity at 1 January 2023	16.778	141.190	-	157.968
Distribution of the profit for the year	-	(56.577)	140.000	83.423
Equity at 31 December 2023	16.778	84.613	140.000	241.391
Equity at 1 January 2024	16.778	84.613	140.000	241.391
Distributed dividend during the year			(140.000)	(140.000)
Distribution of the profit for the year		12.144		12.144
Equity at 31 December 2024	16.778	96.758	-	113.536

Cash Flow Statement

Phillips-Medysize A/S

(DKK '000)

Financial Statements 1 January - 31 December 2024		2024	2023
	Net profit/loss for the year	12.144	83.423
	Depreciation, amortisation and impairment losses	5.045	5.383
26	Adjustments	(21.140)	51.945
27	Change in working capital	(26.785)	11.710
	Income tax paid	-	(15.125)
	Cash flows from operating activities	(30.735)	137.336
	Deposits	(44)	-
	Purchase of intangible assets	-	(321)
	Purchase of property, plant and equipment	(6.790)	(5.411)
	Cash flows from investing activities	(6.834)	(5.732)
	Financial income	8.279	5.820
	Financial expenses exclusive lease	(5.493)	(8.769)
	Dividend paid	(140.000)	-
	Cash flows from financing activities	(137.214)	(2.950)
	Cash flows for the year	(174.783)	128.654
	Cash, beginning of year	231.690	103.036
	Cash, end of year	56.907	231.690
	Cash consist of:		
	Cash at bank and in hand	56.907	231.690
	Cash, end of period	56.907	231.690

The cash flow statement cannot be derived solely from the published material.

Notes

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1 Accounting Policies

The Annual Report of Phillips-Medsize A/S has been prepared in accordance with International Financial Reporting Standards as approved by the EU (IFRS) and additional Danish requirements applying to large-sized enterprises of reporting class C, cf. IFRS notification issued according to the Danish Financial Statements Act. The entity prepared its annual report in accordance with certain requirements applying to a higher reporting class.

Basis of preparation

The Financial Statements are presented in DKK, which is considered the functional currency of the Company.

The Financial Statements have been prepared under the same accounting policies as last year.

Consolidated financial statements

No consolidated financial statements have been prepared pursuant to section 112 (2) of the Danish Financial Statements Act. The financial statements of Phillips-Medsize A/S and its group enterprises are included in the consolidated financial statements for Phillips-medsize Holdings A/S cvr. 37705497.

Translation policies

Income statement

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

Receivables and payables

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. Gains and losses arising due to differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Comprehensive income

Phillips-Medsize A/S presents comprehensive income for the period, being the total of profit or loss and other comprehensive income.

Revenue

Phillips-Medsize A/S develops and produces innovative drug delivery devices and connected services. The Company is contracted to develop and produce these products on behalf of customers. The Company's business therefore consists of an innovation business (strategy, feasibility and development projects) and a production business. The products developed and produced are characterized by being developed in an interdependent relationship with the customer and highly customised in respect to design and functionality etc.

Revenue is recognised either at a point in time or over time, when or as the company satisfies performance obligations by transferring the promised services or goods to its customers. Revenue from contracts to develop devices with a high degree of customisation are recognised over time based on the stage of completion of the individual contracts and comprises both services/hours and goods.

The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract. Where the profit from a contract cannot be estimated reliably, revenue is only recognised equalling the cost incurred to the extent that it is probable that the costs will be recovered.

Sale of goods

Revenue from sale of goods outside development projects is recognised in the income statement at a point in time, when transfer of risk has been made to the purchaser, and provided that payment is expected received and revenue can be stated reliably.

Sale of licences and income from royalties

Revenue concerning licences and income from royalties are recognised when Phillips-Medysize A/S has acquired the final right to the license or the royalty income.

Production costs

Production costs comprise salaries and cost of sales as well as indirect costs, including salaries and amortisation, depreciation and impairment losses, paid to achieve revenue for the year.

Development costs

Development costs include the development costs not meeting the criteria for capitalisation. Furthermore, salaries, amortisation, depreciation and impairment losses on capitalised development projects are recognised.

Distribution and marketing expenses

Distribution and marketing expenses comprise expenses relating to sale and distribution of the Company's products, including salaries to sales staff, advertising and exhibition expenses.

Administrative expenses

Administrative expenses comprise expenses for the administrative staff, Management and office expenses, including amortisation, depreciation and impairment losses.

Leases

The company assesses whether a contract is or contains a lease at inception of the contract. The company recognises right-of-use assets and corresponding lease liabilities at the lease commencement date, except for short-term leases and leases of low value. For these leases, the lease payments is recognized as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred.

The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are from the commencement date depreciated over the shorter period of lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of the company's corresponding assets such as property, plants and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted in accordance with lease liabilities.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate.

Lease payments included in the measurement of the lease liabilities comprise the following:

- Fixed payments.
- Variable payments, dependent on an index or rate.
- The exercise price of a purchase option if it is reasonably certain that the option will be exercised.
- Amounts expected to be payable under residual value guarantees.

The lease liabilities are subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if management changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

Financial income and expenses

Financial income and expenses comprise interest, amortisation addition and deduction, fair value adjustments and realised and unrealised exchange adjustments.

Tax

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

Phillips-Medisize has applied the exception to recognise and disclose information about deferred tax in the OECD/EU Pillar Two Model Rules and their local implementation.

Balance sheet

Intangible assets

Acquired rights

Acquired rights comprise software and related consultancy hours. These are measured at cost less accumulated amortisation.

Acquired rights are amortised on a straight-line basis over 3 years.

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.

Cost of a total asset is broken down in separate components which are depreciated separately if the useful lives of the individual components differ.

For assets acquired under finance leases cost is stated at the lower of fair value of the assets and net present value of the future minimum lease payments. At the calculation of the net present value, the interest rate implicit in the lease or the marginal loan interest of the leases is used as discounting rate.

Depreciation

Straight line depreciation is made over the expected useful lives of the assets and considering the scrap value of the asset, the scrap value is reassessed annually. The following depreciation periods are applied:

Buildings	25 years
Plant and machinery	
According to nature	3 - 6 years
Other plant and machinery	8 - 10 years
Other plant	3 - 10 years

Leasehold improvements are depreciated on a straight-line basis over the term of the leases.

Impairment of intangible assets and fixed assets

The carrying amounts of intangible assets and property, plant and equipment 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 recoverable amount of the asset is stated, and write-down is made to the lower of recoverable amount and carrying amount. The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Investment in subsidiaries

Investment in subsidiaries are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write down is made to such lower value.

Inventories

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

The cost of raw materials, consumables and goods for resale equals landed cost. The cost of finished goods and work in progress comprises the cost of materials 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.

Financing expenses are not recognised in cost.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which corresponds to nominal value less provisions for bad debts.

Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses – perhaps stated per milestone if the contract is divided into milestones and otherwise dictates this. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement and a provision.

Prepayments from customers are recognised under liabilities. Selling costs and expenses incurred in securing contracts are recognised in the income statement as incurred.

Equity

Dividend

Dividend is disclosed as a separate equity item.

Liabilities

Pension obligations

Phillips-Medsize A/S has pension schemes comprising the employees. The pension schemes are defined contribution plans.

Expenses concerning defined contribution plans are expensed on a current basis in the income statement in the period of earning, and accrued payments received are included in other debt in the balance sheet. Payments of premium (eg a fixed amount or a fixed percentage of the salary) are made to independent insurance companies responsible for the pension obligations. When pension contributions for defined contribution plans have been paid, the Company has no further obligations to its employees or resigned staff.

Provisions

Provisions include warranty obligations and other provisions. Warranty obligations comprise obligations for improvement of products within the period of warranty. The provisions are recognised and measured based on experience of warranty work and other obligations.

Provisions are discounted if the timing effect is material, which is only the case for provisions for anniversary bonus included in other provisions.

Deferred tax and corporation tax

Provision for deferred tax is stated under the balance sheet liability method and is calculated on all temporary differences between the tax base and the carrying amount of assets and liabilities.

The tax base of assets is stated considering the planned use of the individual asset. When calculating the deferred tax, the tax base of any losses or provisions, etc. is included to the extent that it is considered likely that these may be included in future tax results. If, in that case, the deferred tax is a positive amount, this is recognised as a deferred tax asset in the balance sheet.

Corporation tax is recognised as the tax expected imposed on the taxable income for the year less tax paid on account.

Financial debts

Fixed-interest loans, such as bank loans, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost, corresponding to the capitalised value when using the effective interest rate, so that the difference between the proceeds and the nominal value (capital loss) is recognised in the income statement over the loan period.

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

Prepayments and deferred income

Prepayments comprise expenses concerning subsequent financial years.

Deferred income comprises payments received in respect of income in subsequent years.

Cash flow statement

The cash flow statement is presented under the indirect method based on net profit/loss for the year.

The cash flow statement shows cash flows for the year, changes for the year in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for non-cash operating items, and corporation taxes as well as changes in working capital. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise of expenses received and paid and financial income, the raising and repayment of long-term debt, dividend paid and proceeds from share capital increases.

Cash and cash equivalents

Cash and cash equivalents comprise cash holdings and withdrawals from overdraft facility. Cash flows in foreign currencies are translated at the average monthly exchange rates which do not deviate materially from the exchange rates at the date of payment.

2 New accounting standards

As of 1 January 2024, the company has implemented all new or amended accounting standards and **interpretations** as adopted by the EU and applicable for the 2024 financial year. The implementation of new or amended standards and interpretations has not had any material impact on the financial statements.

3 Significant accounting estimates and assessments

In connection with the financial reporting it is necessary for Management to make a number of accounting estimates and assessments affecting the carrying amount of certain assets and liabilities and the reported income and expenses for the accounting periods. Significant estimates are made, among other things, at the assessment of depreciation, amortisation and impairment, provisions and contingent liabilities and assets.

Management bases its estimates on historical experience and other assumptions considered reasonable in the situation. Results based on the assumptions are used to assess the carrying amount of the assets and the liabilities and the reported income and expenses not appearing elsewhere. The current results may deviate from the estimated results.

The following accounting estimates and assessments are considered significant for the Annual Report:

Work in progress

Contract work in progress is recognised in revenue based on the stage of completion of the project, however, so that any future expected negative contribution margin of work in progress is immediately recognised in the income statement for the period.

The stage of completion of work in progress is estimated per project as the share of the resources used relative to the total expected resources for the project – perhaps divided into milestones if dictated by the contract. The stage of completion is estimated by the professional project manager in charge, and at the same time the probability of the work in progress in question meeting future development challenges affecting the stage of completion is considered.

In Management's estimate, after having reviewed work in progress, the estimates made are reasonable and appropriate.

Inventories

As part of the ordinary business, Phillips-Medsize A/S organises materials from sub suppliers for processing in the Company to meet the expected demand from the customers. A perfect organisation of materials for future customer needs is in many cases difficult, and therefore situations may arise where materials purchased or produced for the inventories are no longer expected to be in demand. Provisions for obsolescence of inventories are made in this respect. The provisions concerning inventories are made on the basis of historical scrapping due to obsolescence and knowledge and estimate of slow-moving materials.

The value of future scrapping due to obsolescence may deviate from the provision, but in Management's opinion, the estimates of obsolescence are reasonable and appropriate.

Tax

Deferred tax assets are recognised when it is probable that in future there will be sufficient taxable income to utilise the temporary differences and unutilised tax losses. The actual tax payments and results may deviate from the estimates made due to changes in expectations to the future taxable results. Management has assessed whether the tax asset should be recognised as income in the income statement and as an asset in the balance sheet. Management will continuously assess whether the accounting criteria have been met for recognition of the asset in the balance sheet and recognition as income in the income statement.

4 Financial risk management

As a consequence of Phillips-Medsize A/S international activities, the Company's income statement, balance sheet and equity will at any time be influenced, to a higher or lower degree, by a number of financial risks. These risks include:

- Foreign exchange risk
- Interest rate risk
- Credit risk
- Liquidity risk

Phillips-Medsize A/S addresses these risks on a current basis.

Foreign exchange risk

The Company's sales are mainly in foreign currencies (EUR, USD). This figure does not reflect the foreign exchange risk, partly because the risk is hedged if net trade takes place in very volatile currencies, and partly because it is part of the Company's purchase policy to match purchase and sales currencies to the highest possible extent.

In 2024, no contracts have been concluded to hedge foreign exchange risks. The Company's net monetary items in foreign currencies appear from note 29.

Interest rate risk

The company have no interest-bearing bank debt as per 31. December (31/12 2023: DKKt 0)

Credit risk

The Company's most material, primary financial instruments comprise trade receivables. The amounts at which this balance sheet item is recognised are identical with the maximum credit risk.

The Company sells the products and services to a number of different customers. The Company assesses the credit risk relating to these customers to be limited. The individual customers are assessed on a current basis and, if necessary, bank guarantees or accounts receivable insurance is used to secure outstanding accounts.

During the last 3 years, trade receivables have been at an acceptable level, and it is the Company's assessment that no significant credit risk is involved.

Liquidity risk

In 2024, cash flows have been positive.

The Company assesses and controls financial resources on a current basis, thus ensuring that adequate flexible, unutilised borrowing facilities are available at any time from the Company's owners.

Short-term debt to credit institutions amounts to 6% of the balance sheet total compared with 0% at the end of 2023.

Notes

Phillips-Medisize A/S

(DKK '000)

5 Revenue

The company's revenue is attributable solely to contracts with customers.
The revenue disaggregated by primary geographical markets is as follows:

	For the year ended 31 December 2024		
	Goods	Services	Total
Scandinavia	38.849	43.280	82.129
Rest of Europe	148.788	84.208	232.996
USA	-	107.638	107.638
Rest of the world	59	2.729	2.788
Total	187.696	237.855	425.551
Financial Statements 1 January - 31 December 2024			
	Goods	Services	Total
Scandinavia	9.303	68.931	78.234
Rest of Europe	25.364	103.422	128.786
USA	-	269.438	269.438
Rest of the world	-	5.474	5.474
Total	34.667	447.265	481.932

The company's revenue disaggregated by pattern of revenue recognition is as follows:

	For the year ended 31 December 2024		
	Goods	Services	Total
Goods transferred in a point of time	61.940	-	61.940
Services transferred over time	125.756	237.855	363.611
Total	187.696	237.855	425.551
	For the year ended 31 December 2023		
	Goods	Services	Total
Goods transferred in a point of time	11.440	-	11.440
Services transferred over time	23.227	447.265	470.492
Total	34.667	447.265	481.932

	2024	2023
Sales value from contract work in progress recognized in the above	35.750	191.893

Notes

Phillips-Medsize A/S

(DKK '000)

6 Expenses, additional information

Production costs, distribution and marketing expenses and administrative expenses, etc include the following amounts for which the following information is stated:

Classification by type of expenditure

Amortisation, intangible assets

Amortisation of intangible assets is recognised in the following items in the income statement:

	2024	2023
Production costs	98	-
Administrative expenses etc	1.253	1.351
	1.351	1.351

No impairment losses have been recognised in respect of intangible assets.

Depreciation, property, plant and equipment

Depreciation of property, plant and equipment is recognised in the following items in the income statement:

	2024	2023
Production costs	2.294	2.295
Administrative expenses etc	2.181	2.784
	4.475	5.079

Staff

	2024	2023
Salaries and remuneration	167.615	165.402
Pensions	15.867	15.585
Other social security expenses	1.292	1.316
Total staff costs	184.774	182.303

Fee to Executive Board and Board of Directors

	2024	2023
- Salaries	2.666	2.458
- Pension	148	233
- Other expenses and staff obligations	7	7
Total fee to Executive Board and Board of Directors	2.821	2.698

Average number of full-time employees Denmark

225	224
225	224

Notes

Phillips-Medysize A/S

(DKK '000)

6 Expenses, additional information (continued)

Staff expenses are recognised in the following items in the income statement:

	2024	2023
Production costs	151.257	147.957
Distribution and marketing expenses	7.694	5.353
Administrative expenses etc	25.823	28.993
	<u>184.774</u>	<u>182.303</u>

7 Financial income

	2024	2023
Interest income	2.270	-
Foreign exchange gain	6.008	5.820
Financial income	<u>8.279</u>	<u>5.820</u>

8 Financial expenses

	2024	2023
Interest on debt to banks	412	1.413
Foreign exchange loss	5.202	7.425
Other financial expenses	-	51
Financial expenses	<u>5.615</u>	<u>8.889</u>

Notes

Phillips-Medisize A/S

(DKK '000)

9 Tax on profit/loss on ordinary activities

	2024	2023
Current tax	3.484	24.646
Correction to prior years taxes	4.982	299
Change in deferred tax	(132)	8
Correction to prior years deferred taxes	-	120
(Additional percentage)/reimbursement	289	1.898
Total tax on profit/loss on ordinary activities	8.623	26.971

Tax for the year is specified as follows:

Tax to be recognised in the income statement	8.623	26.971
	8.623	26.971

Tax on profit/loss for the year is specified as follows:

Calculated tax on profit/loss before tax	4.569	24.287
Non-deductible expenses and non taxable income	122	367
Correction to prior years taxes	(1.292)	-
Other	5.224	2.317
	8.623	26.971

Danish tax rate	22,0%	22,0%
Tax effect of:		
Non-deductible expenses and non taxable income	0,6%	1,9%
Correction to prior years taxes	-6,2%	0,0%
Unutilised tax losses	0,0%	0,0%
Prior - year adjustments of current tax last year	0,0%	0,0%
Average effective tax rate for the year	16,4%	23,9%

Since 1 June 2016, Phillips-Medisize A/S is part of the joint taxation with Phillips-Medisize Holdings A/S as the administration entity. Corporation tax payable to Phillips-Medisize Holdings A/S amounts to DKKt 35.293 at 31 December 2024 (2023: DKKt 14,827).

The Company is not expected to be materially impacted by the OECD/EU Pillar Two Model Rules and their local implementation. The Country that the group operates in impose taxation in excess of 15%. As such these rules are not expected to result in either materially increased tax payments or a change to the company's effective tax rate.

Notes

Phillips-Medysize A/S

(DKK '000)

10 Intangible assets

	Acquired rights
Cost at 1 January 2023	22.282
Additions for the year	321
Disposals for the year	
Transfer	586
Cost at 31 December 2023	<u>23.189</u>
Amortisation and impairment losses at 1 January 2023	20.911
Amortisation for the year	1.351
Amortisation and impairment losses at 31 December 2023	<u>22.262</u>
Carrying amount at 31 December 2023	<u>927</u>
Cost at 31 December 2023	23.189
Amortisation at 31 December 2023	<u>22.262</u>
Carrying amount at 31 December 2023	<u>927</u>
Cost at 1 January 2024	23.189
Additions for the year	-
Transfer	-
Cost at 31 December 2024	<u>23.189</u>
Amortisation and impairment losses at 1 January 2024	22.262
Amortisation for the year	400
Amortisation and impairment losses at 31 December 2024	<u>22.662</u>
Carrying amount at 31 December 2024	<u>527</u>
Cost at 31 December 2024	23.189
Amortisation at 31 December 2024	<u>22.662</u>
Carrying amount at 31 December 2024	<u>527</u>

The useful lives of the company's intangible assets are finite.

In 2024 DKKt 0 were transferred from plant and machinery to intangible assets (acquired rights) (31/12 2023: DKKt 586)

Notes

Phillips-Medisize A/S

(DKK '000)

11 Property, plant and equipment

	Land and Building	Plant and machinery	Other fixtures tools and equipment	Leasehold improvements	Total
Cost at 1 January 2023	31.504	26.229	8.408	2.381	68.522
Additions for the year	777	4.215	419		5.411
Disposals for the year		(54)			(54)
Transfer	370	(956)			-586
Cost at 31 December 2023	32.651	29.434	8.827	2.381	73.293
Depreciation at 1 January 2023	2.524	14.907	5.970	1.352	24.753
Depreciation for the year	1.190	1.505	1.098	293	4.086
Reversal of depreciation of sold assets		(54)			(54)
Transfer					-
Depreciation at 31 December 2023	3.714	16.358	7.068	1.645	28.785
Carrying amount at 31 December 2023	28.937	13.076	1.759	736	44.508
Cost at 1 January 2024	32.651	29.434	8.827	2.381	73.293
Additions for the year	638	5.748	404		6.790
Disposals for the year					-
Transfer	8.055	(8.055)			-
Cost at 31 December 2024	41.344	27.127	9.231	2.381	80.083
Depreciation at 1 January 2024	3.714	16.358	7.068	1.645	28.785
Depreciation for the year	1.705	1.714	959	268	4.645
Reversal of depreciation of sold assets					-
Transfer					-
Depreciation at 31 December 2024	5.419	18.072	8.027	1.913	33.430
Carrying amount at 31 December 2024	35.926	9.055	1.204	468	46.653
Cost at 31 December 2024	41.344	27.127	9.231	2.381	80.083
Amortisation at 31 December 2024	5.419	18.072	8.027	1.913	33.430
Carrying amount at 31 December 2024	35.926	9.055	1.204	468	46.653

General, property, plant and equipment:

The carrying amount corresponds to the expected remaining life and any scrap value.

There are no leasing or other contractual obligations at 31 December 2024 relating to the acquisition of property, plant and equipment (DKK 0 at 31 December 2023).

In 2024 DKKt 0 were transferred from plant and machinery to intangible assets (acquired rights). (31/12 2023: DKKt 586).

Notes

Phillips-Medsize A/S

(DKK '000)

12 Right-of-use assets and lease liabilities

	Rent facilities	Car leasing	Total
Right-of-use assets			
Gross carrying amount as of 1 January 2024	4.443	650	5.093
Additions	-	-	-
Disposals	-	-	-
Modifications	-	-	-
Gross carrying amount as of 31 December 2024	4.443	650	5.093
Depreciation and impairment as of 1 January 2024	3.753	367	4.120
Depreciation	689	124	814
Disposals	-	-	-
Depreciation and impairment as of 31 December 2024	4.443	491	4.934
Carrying amount as of 31 December 2023	1.609	283	2.016
Carrying amount as of 31 December 2024	0	159	159
Lease liabilities		2024	2023
Non-current		(712)	102
Current		871	871
Lease liabilities		159	973
Amounts included in the income statement			
Interest expense leases		(19)	(19)
Depreciation recognised on right-of-use assets		890	890
Cost recognized for short term leases (less than 12 months)		871	871

In 2024 the total cash outflow relating to leases was DKKt 814, split between interests DKKt 34 and repayment of DKKt 780.

As security for new rental premises, the Company has provided a bank guarantee of DKKt 1,000.

13 Other financial receivables

	2024	2023
Other financial receivables (gross), end of year	95	51
Provisions for bad debts, end of year	-	-
Other financial receivables (net), end of year	95	51

The fair value of other financial receivables amounts to DKKt 95 (2023: DKKt 51). The value comprises deposit for leased premises which will remain for the term of the lease.

The fair value is stated as the net present value of future expected cash flows concerning the receivables.

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14 Investment in subsidiaries

Investments in subsidiaries are specified as follows at 31 December 2023 (TDKK):

Name	Share capital	Equity	Votes and
Phillips-Medysize Ltd., United Kingdom	1	14.230	100%

No dividend were received from Phillips-Medysize Ltd. during the years 2024 and 2023.

According to the company's accounting policies investment in subsidiary is measured at cost, which amounts to DKKt 0 at 31/12 2024 (31/12 2023: DKKt 0)

15 Inventories

	2024	2023
Raw materials and consumables	18.520	22.189
Work in progress	196	395
Finished goods and goods for resale	31.056	11.346
Inventories, end of year	49.772	33.930
Cost of inventories recognised as expense (cost of goods sold)	89.816	30.006
Write-down for the year of inventories is recognised in production costs	(6.205)	(8.668)

The carrying amount of inventories carried at fair value less costs to sell amounts to DKKt 0 (2023: DKKt 0).
As per 31/12/2024, the net realisable value of the inventory is not lower than the cost amount. As per 31/12/2023, the net realisable value of the inventory is not lower than the cost amount.

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16 Trade receivables from group enterprises	2024	2023
Trade receivables (gross)	56.557	63.989
Provision for bad debt	-	-
Provision for bad debt, end of year	-	-
Trade receivables (net), end of year	56.557	63.989
	2024	2023
Trade receivables not due (due 0-3 months after the balance sheet date)	56.557	63.989
Trade receivables due from 0 to 1 month before the balance sheet date	-	-
Trade receivables due more than 1 month before the balance sheet date	-	-
Trade receivables (net), end of year	56.557	63.989

Since October 2020 Phillips-Medysize A/S is part of the Molex Operational Model. Within this model all finance support, including credit collection facility is provided by Molex Interconnect GmbH ("MIG"). As per process all trade receivables regarding external sales transactions are settled by MIG. As the result Phillips-Medysize A/S recognizes at the balance sheet date the receivable position with the group counterparty MIG. From the profit and loss perspective transactions are presented as the external sales.

The fair value of trade receivables is DKKt 56,557 (2023: DKKt 63,989). For receivables falling due within 1 year after the balance sheet date, the

In accordance with IFRS 9 "Financial Instruments", the company has applied the simplified approach to measure the expected credit loss and a lifetime expected loss allowance for all trade receivables. Historically the company hasn't recognized losses on receivables. The Group's customers are predominantly renowned pharmaceutical companies and therefore the credit risk is very low. There are no overdue receivables as of 31 December 2024. No losses are expected on trade receivables and therefore no loss allowance for trade receivables has been recognized as of 31 December 2024.

17 Payables to group enterprises	2024	2023
Payables to group enterprises (gross) at 31 December	51.375	22.820

The fair value of payables to group enterprises is DKKt 51,375 (2023: DKKt 22,820). For payables falling due within 1 year after the balance sheet date, the carrying amount is in all materiality considered to correspond to the fair value.

18 Contract work in progress	2024	2023
Expenses conc. work performed at the balance sheet date	24.387	100.729
Profit included in the income statement, net	3.585	62.351
Sales value of work performed at the balance sheet date	27.972	163.080
Invoicing on account	(38.127)	(205.566)
	(10.155)	(42.486)
The net value of contract work in progress is recognised as follows in the balance sheet:		
Contract work in progress	11.374	5.975
Prepayments received from customers conc. work in progress	(21.531)	(48.461)
	(10.157)	(42.486)
Contract work in progress conc. products	-	-
Accruals on contract work in progress	-	-
Prepayments on contracts, end of year	(21.530)	(48.461)
Contract work in progress, end of year	11.374	5.975

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19 Other receivables	2024	2023
Other receivables	4.302	1.927
Carrying amount, end of year	4.302	1.927

All other receivables fall due within one year.

The fair value of other receivables is DKKt 4,302 (2023: DKKt 1,927). For receivables falling due within 1 year after the balance sheet date, the carrying amount is considered to correspond to the fair value.

20 Prepayments	2024	2023
Software licenses	1.772	1.455
Carrying amount, end of year	1.772	1.455

The fair value of prepayments is DKKt 1,772 (2023: DKKt 1,455).

21 Share capital	2024	2023
The share capital consists of 16,778,061 shares of DKK 1	16.778	16.778

No shares carry any special rights.

Specification of movement on share capital	2024	2023	2022	2021	2020
Share capital at the beginning	16.778	16.778	16.778	16.778	16.778
Capital increase	-	-	-	-	-
Capital reduction	-	-	-	-	-
Share capital at the end	16.778	16.778	16.778	16.778	16.778

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Phillips-Medysize A/S

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22 Retained earnings

In 2024 DKK 140 000k was paid as dividend, corresponding to DKK 8,34 per share (2023: DKK 0, corresponding to DKK 0 per share). A dividend of DKK 0, corresponding to DKK 0,00 per share, will be proposed for 2024.

Phillips-Medysize A/S's Executive Board and Board of Directors assess that the Company's capital structure is adequate.
Usually no dividend is paid out unless it may be included in net profit/loss for the year.

23 Deferred tax

	Long-term assets	Short-term assets	Provisions	Total
Deferred tax at 1 January 2023	20	-	432	452
Adjustment for the year	454		(325)	129
Deferred tax at 31 December 2023	474	-	107	581
Capitalised deferred tax at 31 December 2023	474	-	107	581
Deferred tax at 1 January 2024	474	-	107	581
Adjustment to the prior years	215	(320)	105	-
Adjustment for the year	(69)	(70)	7	(132)
Deferred tax at 31 December 2024	620	(390)	219	449
Capitalised deferred tax at 31 December 2024	620	(390)	219	449

Deferred tax has been made at the current Danish tax rate.

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24 Provisions

	2024	2023
Warranty provisions at 1 January	826	826
Provisions created in the year	-	-
Provisions used in the year	-	-
Warranty provisions, end of year	826	826
Provisions for anniversary bonus at 1 January	141	197
Provisions created in the year	30	64
Provisions used in the year	-	(90)
Provisions reversed in the year	(2)	(29)
Change for the year in the calculation of net present value	4	(1)
Provisions for anniversary bonus, end of year	173	141
Other provisions at 1 January	22.026	-
Other provisions created in the year	-	22.026
Other provisions transferred to other payables in the year	(22.026)	-
Other provisions used in the year	-	-
Other provisions reversed in the year	-	-
Other provisions, end of year	(0)	22.026
Provisions, end of year	999	22.993
The due dates for warranty provisions are expected to be as follows:		
Due within 1 year	235	235
Due within 1-5 years	591	591
Due after 5 years	-	-
Warranty provisions, end of year	826	826

The due dates for provisions for anniversary bonus are expected to be as follows:

Due within 1 year	-	-
Due within 1-5 years	32	34
Due after 5 years	141	107
Provisions for anniversary bonus, end of year	173	141

The due dates for other provisions are expected to be as follows:

Due within 1 year	-	22.026
Due within 1-5 years	-	-
Due after 5 years	-	-
Other provisions, end of year	-	22.026

Other provisions relate to unpaid WHT as described in note 1.

The Company provides 3-year warranty on certain products and is therefore obliged to repair or replace items which do not function satisfactorily.

Provisions of DKKt 826 (2023: DKKt 826) for expected warranty claims have been recognised based on previous experience concerning the level of repairs and returns.

The statement of the expected due dates has been prepared based on previous experience of when repairs and returns, if any, appear.

No compensation will be received from other parties concerning the provisions.

The provision for anniversary bonus is the result of discounting of the nominal expectations, as the timing effect conc. anniversary bonus is material due to the long time horizon for actual payment of the anniversary bonus. No discounting has been used concerning the warranty provision as the time horizon is limited (max 3 years) and the timing effect is therefore immaterial.

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25 Other payables	2024	2023
Payroll items	13.278	13.920
Other	15.457	1.615
Total other payables	28.735	15.535

No other payables fall due for payment after 1 year.

The fair value of other payables is DKKt 12,582 (2023: DKKt 15,535).

For payables falling due within 1 year after the balance sheet date the carrying amount of the payables is in all materiality considered to equal the fair value of the payables.

26 Adjustments	2024	2023
Change in other provisions etc	(22.117)	21.970
Financial income etc	(8.279)	(5.820)
Financial expenses etc	5.615	8.824
Correction to prior years taxes	(4.982)	-
Tax on profit/loss for the year	8.623	26.971
	(21.140)	51.945

27 Change in working capital	2024	2023
Change in receivables etc	(659)	17.963
Change in inventories	(15.842)	(3.230)
Change in trade payables etc	(10.284)	(3.023)
	(26.785)	11.710

28 Fee to auditors	2024	2023
Fee to auditors appointed at the general meeting (Grant Thornton), for statutory audit	405	430
Other Services	70	-
Total fee to auditors	475	430

29 Contingent liabilities and other financial obligations

a Contract obligations

The Company has entered into contract obligations of DKKt 2,156 with termination no later than 2025.

b Joint taxation

With effect from 1 June 2016, Phillips-Medysize A/S is included in the joint taxation with Phillips-Medysize Holdings A/S.

Danish Group companies are jointly and severally liable for tax on consolidated taxable income, etc.

Phillips-Medysize Holdings A/S is the management company in relation to joint taxation.

Before 1 June 2016, Phillips-Medysize A/S was included in the joint taxation with LDE Holding 11 ApS and Equity Datteholding 11 ApS.

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30 Financial instruments

The scope and type of the Company's financial instruments appear from the income statement, the balance sheet and accounting policies under notes. Below information is provided on the conditions which may affect amounts, payment date or the reliability of future payments, where such information does not directly appear from the Company's Financial Statements or follow from normal practice.

Monetary items* in foreign currencies in the balance sheet at the end of the year:

At 31 December 2023

Currency	Payment/expiry	Assets	Liabilities	Net
EUR	0-12 months	200.280	4.910	195.370
USD	0-12 months	86.893	9.813	77.080
GBP	0-12 months	-	-	-
Other	0-12 months	-	393	(393)

At 31 December 2024

Currency	Payment/expiry	Assets	Liabilities	Net
EUR	0-12 months	108.847	5.038	103.809
USD	0-12 months	6.337	6.106	231
GBP	0-12 months	-	-	-
Other	0-12 months	-	74	(74)

* Monetary items are cash at bank and in hand and similar, receivables as well as payables which are settled in cash.

Hedging of foreign currency

No forward contracts have been made at 31 December 2024.

Sensitivity to foreign exchange risks:

The quantification of foreign exchange risks was made as an +/- 10% analysis of the effect on revenue:

	2024		2023	
	DKK million	Revenue	Revenue	Risks
Revenue nominated in EUR		261,7	432,7	0*
Revenue nominated in USD		10,5	70,4	7,0
Revenue in DKK		153,4	(21,2)	-

* It is considered unlikely that EUR will fluctuate by +/- 10% due to Denmark's firm rates policy which allows only very marginal fluctuations

** There is no exchange risk in respect of DKK

In 2024 revenue is expected to be mainly in EUR, and therefore it is not assessed that there will be any material exchange risks.

Notes

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31 Related parties

The Company's related party with controlling interest is Phillips-Medysize Holdings A/S, Struer.

The related parties with significant influence in the Company are the Executive Board and some senior employees as well as their related family members. Related parties also comprise companies in which these persons have material interests.

Executive Board and senior employees

Besides what follows from the employment, there have been no transactions with the Executive Board or senior employees. Remuneration appear from note 6.

Accounts with related parties

The payment terms for normal trade is current month plus 30 days. No security has been provided for the accounts, and there has been no need to make provisions for expected bad debt concerning these accounts. Moreover, no losses have been realised concerning these accounts in 2024 or 2023.

Trade receivables from and payables to group enterprises are presented in notes 16 and 17.

An overview of transactions with related parties is as follows:

	2024	2023
Sales billed through related party	479.874	358.798
Sale of R&D services	1.848	38.678
Sale of project support services	28.602	5.381
Sale of other services	(5)	590
Purchase of project support services	37.233	52.619
Purchase of goods	96	3.149
Purchase of other services	1.810	1.424
	549.458	460.639

32 Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the 31 December 2024 and the date of authorisation.

33 Authorisation of financial statements

The financial statements for the year ended 31 December 2024 were approved by the board of directors on 9. July 2025.

34 Group matters

The Company, whose controlling shareholder is Phillips-Medysize Holdings A/S is included in the Consolidated Financial Statements of Phillips-Medysize Holdings A/S Gimsinglundvej 20 DK -7600 Struer.
Phillips-Medysize A/S is ultimate owned by Koch Industries Inc. 4111 East Street North, Wichita, Kansas 67220, United States.