

# **Direct Healthcare Group Danmark A/S**

**Bredgade 45, 7400 Herning**

**Company reg. no. 27 22 57 80**

## **Annual report**

**1 January - 31 December 2021**

The annual report was submitted and approved by the general meeting on the 8 July 2022.

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**Andrew Thomas McCartney**  
Chairman of the meeting

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 %.

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## **Management's statement**

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Today, the board of directors and the managing director have presented the annual report of Direct Healthcare Group Danmark A/S for the financial year 1 January - 31 December 2021.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2021 and of the company's results of activities in the financial year 1 January – 31 December 2021.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Herning, 8 July 2022

### **Managing Director**

Andrew Thomas McCartney

### **Board of directors**

Kajsa Maria Palmgren  
Chairman of the Board

Andrew Thomas McCartney

Andreas Claes Christer Ericson

## **Independent auditor's report**

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### **To the Shareholder of Direct Healthcare Group Danmark A/S**

#### **Opinion**

We have audited the financial statements of Direct Healthcare Group Danmark A/S for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity 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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the 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**

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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**

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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, 8 July 2022

### **Grant Thornton**

State Authorised Public Accountants  
Company reg. no. 34 20 99 36

**Jacob Helly Juell-Hansen**

State Authorised Public Accountant  
mne36169

## Company information

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<b>The company</b>	Direct Healthcare Group Danmark A/S Bredgade 45 7400 Herning  Company reg. no. 27 22 57 80 Domicile: Financial year: 1 January - 31 December
<b>Board of directors</b>	Kajsa Maria Palmgren, Chairman of the Board Andrew Thomas McCartney Andreas Claes Christer Ericson
<b>Managing Director</b>	Andrew Thomas McCartney
<b>Auditors</b>	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
<b>Bankers</b>	BNP Paribas
<b>Lawyer</b>	Plesner
<b>Parent company</b>	DHG Sweden Holding AB Box 2, 333 03 Reftele, Sverige

## **Management's review**

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### **The principal activities of the company**

Like previous years, the principal activities are sales, marketing and service of own developed aids to seniors and disabled. Furthermore, the company handles professional consultancy of practitioners, and users of aids.

### **Development in activities and financial matters**

The company's financial statements of 2021 shows af loss of DKK 753.125 and the balance sheet of 2021 shows an equity of DKK 2.361.844. Management considers the loss for the year to be within expectations.

### **Events occurring after the end of the financial year**

After the end of the financial year the company was a part of a merger with Vendlet ApS with legal date 1. January 2022 and with Direct Healthcare Group Danmark A/S as the continuing company.

Besides the merger there has been no subsequent events, that could materially affect the financial statements for 2021.

## Accounting policies

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The annual report for Direct Healthcare Group Danmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

### 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, changes in inventories of finished goods, other operating income, 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. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales. Time of transition of the most material benefits and risks is based on the standardized terms of delivery according to Incoterms® 2010.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

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

### Staff costs

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

## Accounting policies

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### 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.

### 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, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### 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.

## Statement of financial position

### Equipment

Equipment is measured at cost plus revaluations and less accrued depreciation and writedown for impairment.

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.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-10 years

Profit or loss derived from the disposal of 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.

## Accounting policies

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### Leases

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.

### 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.

### Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 5 years.

### Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

## **Accounting policies**

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### **Prepayments and accrued income**

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank.

### **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.

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.

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.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### **Liabilities other than provisions**

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

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

## Income statement 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Gross profit</b>	<b>1.531.057</b>	<b>2.706.102</b>
1 Staff costs	-2.336.216	-1.315.576
Depreciation, amortisation, and impairment	-105.602	-93.498
<b>Operating profit</b>	<b>-910.761</b>	<b>1.297.028</b>
2 Other financial income	332	6.008
3 Other financial expenses	-56.701	-206.107
<b>Pre-tax net profit or loss</b>	<b>-967.130</b>	<b>1.096.929</b>
4 Tax on net profit or loss for the year	212.702	-233.777
<b>Net profit or loss for the year</b>	<b>-754.428</b>	<b>863.152</b>
 <b>Proposed appropriation of net profit:</b>		
Extraordinary dividend adopted during the financial year	0	16.560.257
Allocated from retained earnings	-754.428	-15.697.105
<b>Total allocations and transfers</b>	<b>-754.428</b>	<b>863.152</b>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Non-current assets</b>		
5 Acquired concessions, patents, licenses, trademarks, and similar rights	398.832	0
Total intangible assets	398.832	0
6 Other fixtures and fittings, tools and equipment	179.987	135.033
7 Leasehold improvements	12.022	0
Total property, plant, and equipment	192.009	135.033
8 Other receivables	7.500	42.874
Total investments	7.500	42.874
<b>Total non-current assets</b>	<b>598.341</b>	<b>177.907</b>
<b>Current assets</b>		
Raw materials and consumables	215.221	42.544
Total inventories	215.221	42.544
Trade receivables	2.597.512	2.048.955
Receivables from group enterprises	797.685	0
Deferred tax assets	303.226	90.524
Accrued income and deferred expenses	18.538	0
Total receivables	3.716.961	2.139.479
Cash and cash equivalents	1.067.014	5.216.448
<b>Total current assets</b>	<b>4.999.196</b>	<b>7.398.471</b>
<b>Total assets</b>	<b>5.597.537</b>	<b>7.576.378</b>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Equity and liabilities</b>		
<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Equity</b>		
Contributed capital	2.200.000	2.200.000
Retained earnings	160.541	914.969
<b>Total equity</b>	<b><u>2.360.541</u></b>	<b><u>3.114.969</u></b>
<b>Liabilities other than provisions</b>		
Prepayments received from customers	28.838	300.000
Trade payables	215.157	38.254
Payables to group enterprises	882.311	1.353.479
Income tax payable	164.939	87.514
Other payables	1.710.164	2.299.419
Accruals and deferred income	235.587	382.743
Total short term liabilities other than provisions	<u>3.236.996</u>	<u>4.461.409</u>
<b>Total liabilities other than provisions</b>	<b><u>3.236.996</u></b>	<b><u>4.461.409</u></b>
<b>Total equity and liabilities</b>	<b><u>5.597.537</u></b>	<b><u>7.576.378</u></b>

**9 Contingencies**

**Statement of changes in equity**

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All amounts in DKK.

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2021	2.200.000	914.969	3.114.969
Profit or loss for the year brought forward	0	-754.428	-754.428
	<b>2.200.000</b>	<b>160.541</b>	<b>2.360.541</b>

## Notes

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All amounts in DKK.

	<u>2021</u>	<u>2020</u>
<b>1. Staff costs</b>		
Salaries and wages	2.203.748	1.229.554
Pension costs	124.977	80.488
Other costs for social security	<u>7.491</u>	<u>5.534</u>
	<b><u>2.336.216</u></b>	<b><u>1.315.576</u></b>
Average number of employees	<u>3</u>	<u>2</u>
<b>2. Other financial income</b>		
Interest, trade debtors	0	513
Interest, group enterprises	332	46
Exchange differences	<u>0</u>	<u>5.449</u>
	<b><u>332</u></b>	<b><u>6.008</u></b>
<b>3. Other financial expenses</b>		
Financial costs, group enterprises	5.493	21.237
Other financial costs	<u>51.208</u>	<u>184.870</u>
	<b><u>56.701</u></b>	<b><u>206.107</u></b>
<b>4. Tax on net profit or loss for the year</b>		
Tax of the results for the year, parent company	0	222.618
Adjustment for the year of deferred tax	-212.702	18.686
Adjustment of tax for previous years	<u>0</u>	<u>-7.527</u>
	<b><u>-212.702</u></b>	<b><u>233.777</u></b>

## Notes

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All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>5. Acquired concessions, patents, licenses, trademarks, and similar rights</b>		
Additions during the year	<u>400.656</u>	<u>0</u>
<b>Cost 31 December 2021</b>	<b><u>400.656</u></b>	<b><u>0</u></b>
Amortisation for the year	<u>-1.824</u>	<u>0</u>
<b>Amortisation and writedown 31 December 2021</b>	<b><u>-1.824</u></b>	<b><u>0</u></b>
<b>Carrying amount, 31 December 2021</b>	<b><u>398.832</u></b>	<b><u>0</u></b>
<b>6. Other fixtures and fittings, tools and equipment</b>		
Cost 1 January 2021	1.523.286	1.448.280
Additions during the year	<u>148.012</u>	<u>75.005</u>
<b>Cost 31 December 2021</b>	<b><u>1.671.298</u></b>	<b><u>1.523.285</u></b>
Amortisation and writedown 1 January 2021	-1.388.252	-1.291.021
Depreciation for the year	<u>-103.059</u>	<u>-97.231</u>
<b>Amortisation and writedown 31 December 2021</b>	<b><u>-1.491.311</u></b>	<b><u>-1.388.252</u></b>
<b>Carrying amount, 31 December 2021</b>	<b><u>179.987</u></b>	<b><u>135.033</u></b>
<b>7. Leasehold improvements</b>		
Additions during the year	<u>12.741</u>	<u>0</u>
<b>Cost 31 December 2021</b>	<b><u>12.741</u></b>	<b><u>0</u></b>
Depreciation for the year	<u>-719</u>	<u>0</u>
<b>Depreciation and writedown 31 December 2021</b>	<b><u>-719</u></b>	<b><u>0</u></b>
<b>Carrying amount, 31 December 2021</b>	<b><u>12.022</u></b>	<b><u>0</u></b>

## Notes

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All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>8. Other receivables</b>		
Cost 1 January 2021	42.874	0
Additions during the year	<u>0</u>	<u>42.874</u>
<b>Cost 31 December 2021</b>	<b><u>42.874</u></b>	<b><u>42.874</u></b>
Writedown, assets disposed of	<u>-35.374</u>	<u>0</u>
<b>Writedown 31 December 2021</b>	<b><u>-35.374</u></b>	<b><u>0</u></b>
<b>Carrying amount, 31 December 2021</b>	<b><u>7.500</u></b>	<b><u>42.874</u></b>

## 9. Contingencies

### Contingent liabilities

	<u>DKK in thousands</u>
Total contingent liabilities	<u>428.910</u>

### Lease liabilities

The company has entered into leases with an average annual lease payment of DKK 204.072.

Within 1 Year, the company have total contingent liabilities of 221.047.