

Annual Report for 2025

Salpharm Animal Health A/S

Nordager 19, DK-6000 Kolding
CVR-nr. 43 93 69 72

The Annual Report was presented and
adopted at the Annual General
Meeting of the company on 10/3 2026

Michael Degn-Mortensen
Chairman of the general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Salpharm Animal Health A/S for the financial year 1 January - 31 December 2025.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2025 of the Company and of the results of the Company operations for 2025.

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

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

Kolding, 10 March 2026

Executive Board

Peter Wendorff Olsen
CEO

Board of Directors

Dirk Friedrich Alois Ehle
Chairman

Peter Wendorff Olsen

Simon Damkjær Wille

Independent Auditor's report

To the shareholder of Salpharm Animal Health A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2025 and of the results of the Company's operations for the financial year 1 January - 31 December 2025 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Salpharm Animal Health A/S for the financial year 1 January - 31 December 2025, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

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

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

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the Financial Statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

Independent Auditor's report

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.

Trekantområdet, 10 March 2026

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Heidi Bonde

State Authorised Public Accountant

mne42815

Company information

The Company

Salpharm Animal Health A/S
Nordager 19
DK-6000 Kolding
CVR No: 43 93 69 72
Financial period: 1 January - 31 December
Municipality of reg. office: Kolding

Board of Directors

Dirk Friedrich Alois Ehle, chairman
Peter Wendorff Olsen
Simon Damkjær Wille

Executive Board

Peter Wendorff Olsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle

Management's review

Group Chart



Business review

Salfarm Animal Health A/S provides services to its subsidiaries and invest in and hold shares in companies.

Salfarm Animal Health A/S and its subsidiaries is an independent Nordic veterinary pharmaceutical company.

Financial review

The income statement for 2025 shows net profit of DKK 11.3 million against a net loss of DKK 10.3 million last year, and the balance sheet per 31 December 2025 shows equity of DKK 229.6 million.

In 2024 financial statement management expected an EBITDA at or slightly above DKK 50m.

In 2025, EBITDA has increased compared to 2024 to DKK 63.8 million, which is above the management expectations. The increase above expectations was driven by a higher increase on our turnover than expected mainly due to both new products arriving earlier than forecasted and existing products performing above forecast.

Impact on the external environment

The Group requires accountability from suppliers and wants to make sure that suppliers are working within the same ethical guidelines and good business practices as the Group. To ensure these terms are kept, the Group aims to integrate its code of conduct in trade agreements with suppliers.

Number of employees

At year-end 2025, the Group had 41 employees. We entered the year with 30 employees in Salfarm Animal Health A/S. The 2025 average for the Group ended at 41 employees.

Foreign currency risks

Foreign activities mean that profit, cash flow and equity are affected by the exchange rate development between DKK, SEK, NOK and EUR. Management considers the Group's risk of fluctuations in foreign currency to be moderate.

Exchange rate fluctuations related to the translation of the result and inter Group balance of foreign subsidiaries at the balance sheet date constitute a risk. No hedging is performed to meet fluctuations unless the risk is considered substantial.

Interest Rate Risks

The net interest-bearing debt has not represented a substantial amount historically.

Moderate fluctuations in the interest rate level will not have a significant impact on the profit. Currently no hedging is performed, however, Management will continuously assess the risk and to the extent of the assessed risk perform relevant hedging.

Management's review

Credit Risks

The Group's credit risks related to trade receivables are included in the balance sheet. Management has at year-end assessed the risks related to trade receivables and has made relevant provision for losses. Historically the Group has not experienced any significant losses on trade receivables.

Employee Risks

Having the right competencies with adequate experience is vital. Therefore, it is important that the Group continues to attract, retain and develop skilled employees. Failure to do so has the potential to negatively impact the expected development of the Group.

Supplier Risks

The Group has a large number of suppliers and keeps a focus on minimizing risks and dependency on single suppliers. Loss of key suppliers could have a negative effect on the Group.

IT Risks

The Group depends on Information Technology to manage critical business processes, ranging from sales, production, to administrative and financial functions. The Group uses IT systems for internal purposes and externally for its customers. Extensive disruption of IT systems could have a negative effect on the Group.

Development activities

Development activities primarily include veterinary pharmaceutical development. In the financial year, product development corresponding to DKK 2.1 million is capitalized. The Group continuously invests in the development of veterinary pharmaceuticals, which is a key lever in the continued successful development of the Group.

Governance

The Board of Directors and the Executive Board work constantly to ensure that appropriate and sufficient control systems are in place, managed by a robust management team structure. The Board of Directors and the Executive Board have a number of duties that are defined by the Companies Act, the Danish Financial Statements Act and the Articles of Association and Rules of Procedure for the Board of Directors, among other regulations and policies. On this basis, the necessary internal procedures are continually being developed, refined, and maintained to ensure active, reliable and profitable management of the Group.

The Board of Directors ensures that the Executive Board complies with the approved objectives, strategies, business procedures and rules of procedure for the Executive Board. The information presented to the Board of Directors is provided systematically before and during meetings, as well as in written and verbal reports.

The topics of these reports include market development and the Group's development and profitability. The Board of Directors and the Executive Management have overall responsibility for risk management and internal controls related to financial reporting.

The Board of Directors of the Group meet at least four times a year. Furthermore, information about the Group, results and financial position is shared with the Board of Directors on a regular basis (monthly). If relevant, extraordinary meetings are held.

Furthermore, the Group's main activities are regulated by EU legislation and requirements by the medicine's agencies of each country in which the Group operates. To ensure compliance with rules and regulations, the Group has a Regulatory and Quality Department with competent staff maintaining the Group's quality system and ensuring the required training of the Group's staff.

Management's review

Audit and risk committee

The board and management have discussed the need for an audit and risk committee and have assessed that it is not relevant at this time given the size of the Group.

Events after the balance sheet date

No events materially affecting the Group's financial position have occurred subsequent to the financial year-end.

Outlook

The veterinary pharmaceutical market in the Nordic countries is expected to have a stable growth of approx. 4-5% over the coming years. Salfarm is a well-established player and has developed a robust business model, which forms a solid foundation for further growth.

Due to the growth in the market and the expectations of the coming activities, the Group expects to have an EBITDA between 70 and 80 mio. DKK in 2026.

Income statement 1 January - 31 December

(DKK)	Note	2025	2024
Gross profit/loss		123,228	-10,364,378
Staff expenses	1	-2,524,520	0
Profit/loss before financial income and expenses		-2,401,292	-10,364,378
Income from investments in subsidiaries		21,662,356	0
Financial income		56,530	31,840
Financial expenses		-10,514,466	-4,278
Profit/loss before tax		8,803,128	-10,336,816
Tax on profit/loss for the year	2	2,529,128	-2,378
Net profit/loss for the year		11,332,256	-10,339,194

Distribution of profit

(DKK)	2025	2024
Proposed distribution of profit		
Retained earnings	11,332,256	-10,339,194
	11,332,256	-10,339,194

Balance sheet 31 December

Assets

(DKK)	Note	2025	2024
Investments in subsidiaries	3	344,057,286	370,210,782
Fixed asset investments		344,057,286	370,210,782
Fixed assets		344,057,286	370,210,782
Receivables from group enterprises		774,855	0
Other receivables		5,897	379,528
Corporation tax receivable from group enterprises		2,529,128	0
Receivables		3,309,880	379,528
Cash at bank and in hand		1,636,256	12,950,951
Current assets		4,946,136	13,330,479
Assets		349,003,422	383,541,261

Balance sheet 31 December

Liabilities and equity

(DKK)	Note	2025	2024
Share capital		500,000	500,000
Reserve for exchange rate conversion		704,923	0
Retained earnings		228,377,013	217,277,320
Equity		<u>229,581,936</u>	<u>217,777,320</u>
Credit institutions		107,968,294	155,950,000
Long-term debt	4	<u>107,968,294</u>	<u>155,950,000</u>
Credit institutions	4	10,971,428	0
Trade payables		133,750	6,553,758
Payables to group enterprises		0	3,257,805
Payables to group enterprises relating to corporation tax		0	2,378
Other payables		348,014	0
Short-term debt		<u>11,453,192</u>	<u>9,813,941</u>
Debt		<u>119,421,486</u>	<u>165,763,941</u>
Liabilities and equity		<u>349,003,422</u>	<u>383,541,261</u>
Contingent assets, liabilities and other financial obligations	5		
Related parties	6		
Accounting Policies	7		

Statement of changes in equity

(DKK)	Share capital	Reserve for exchange rate conversion	Retained earnings	Total
Equity at 1 January	500,000	232,563	217,044,757	217,777,320
Exchange adjustments	0	472,360	0	472,360
Net profit/loss for the year	0	0	11,332,256	11,332,256
Equity at 31 December	500,000	704,923	228,377,013	229,581,936

Notes to the Financial Statements

1. Staff expenses

(DKK)	2025	2024
Wages and salaries	2,373,722	0
Pensions	137,050	0
Other social security expenses	13,748	0
	2,524,520	0
Average number of employees	5	1

The company's only employee in 2024 was the CEO, who did not received any remuneration during the financial year.

2. Income tax expense

(DKK)	2025	2024
Current tax for the year	-2,529,128	2,378
	-2,529,128	2,378

3. Investments in subsidiaries

Name	Place of registered office	Ownership
Salpharm Holding ApS	Kolding, Denmark	100%
- Salfarm Danmark A/S	Kolding, Denmark	100%
- Salfarm Scandinavia AB	Helsingborg, Sweden	100%
- Salfarm Scandinavia AS	Oslo, Norway	100%
- FaunaPharma Oy	Espoo, Finland	100%

Notes to the Financial Statements

4. Long-term debt

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

The debt falls due for payment as specified below:

(DKK)	2025	2024
Credit institutions		
After 5 years	0	93,570,000
Between 1 and 5 years	107,968,294	62,380,000
Long-term part	107,968,294	155,950,000
Within 1 year	10,971,428	0
	118,939,722	155,950,000

5. Contingent assets, liabilities and other financial obligations

Guarantee obligations

The company has provided unlimited, joint and several guarantees to its financial institution for the subsidiary's outstanding balances with the bank.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of P-Salpharm Animal Health 2024 A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

6. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

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

Name	Place of registered office
Salpharm Animal Health Holding A/S (smallest group)	Kolding, Denmark
P-Salpharm Animal Health 2024 A/S (largest group)	Kolding, Denmark

Notes to the Financial Statements

7. Accounting policies

The Annual Report of Salpharm Animal Health A/S for 2025 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2025 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2025 of Salpharm Animal Health Holding A/S, the Company has not prepared consolidated financial statements.

Recognition and measurement

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

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

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

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

Business combinations

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Notes to the Financial Statements

7. Accounting policies (continued)

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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

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

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Income statement

Consultancy fees

Revenue includes income derived from the administration of subsidiaries. The services typically entail a performance obligation, which is recognised as revenue over the period during which the services are rendered.

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

Other external expenses

Other external expenses comprise expenses for consultant assistance etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of consultancy fees and other external expenses.

Notes to the Financial Statements

7. Accounting policies (continued)

Staff expenses

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

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year after deducting depreciation of goodwill and other excess values.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

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

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

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises. Goodwill and other intangible assets arising at the time of acquisition are amortised over their expected useful lives, which are between 8 to 20 years.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

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

Notes to the Financial Statements

7. Accounting policies (continued)

Deferred tax assets and liabilities

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

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

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

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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