

Annual Report for 2025

P-Salpharm Animal Health 2024 A/S

Nordager 19, DK-6000 Kolding
CVR-nr. 43 93 52 67

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 P-Salpharm Animal Health 2024 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 and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2025 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows 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

Jan Johan Kühl
CEO

Board of Directors

Simon Damkjær Wille
Chairman

Allan Bach Pedersen

Rune Lillie Gornitzka

Independent Auditor's report

To the shareholder of P-Salpharm Animal Health 2024 A/S

Opinion

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

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of P-Salpharm Animal Health 2024 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, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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 Group's and the Parent 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 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 Group and the Parent 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 group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. 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

P-Salpharm Animal Health 2024 A/S
Nordager 19
DK-6000 Kolding
CVR No: 43 93 52 67
Financial period: 1 January - 31 December
Municipality of reg. office: Kolding

Board of Directors

Simon Damkjær Wille, chairman
Allan Bach Pedersen
Rune Lillie Gornitzka

Executive Board

Jan Johan Kühl

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle

Group Chart

Company	Residence	Ownership
P-Salpharm Animal Health 2024 A/S	Kolding, Denmark	
Salpharm Animal Health Holding A/S	Kolding, Denmark	66%
Salpharm Animal Health A/S	Kolding, Denmark	66%
Salpharm Holding ApS	Kolding, Denmark	66%
Salfarm Danmark A/S	Kolding, Denmark	66%
Salfarm Scandinavia AB	Helsingborg, Sweden	66%
Salfarm Scandinavia AS	Oslo, Norway	66%
FaunaPharma Oy	Espoo, Finland	66%

Financial Highlights

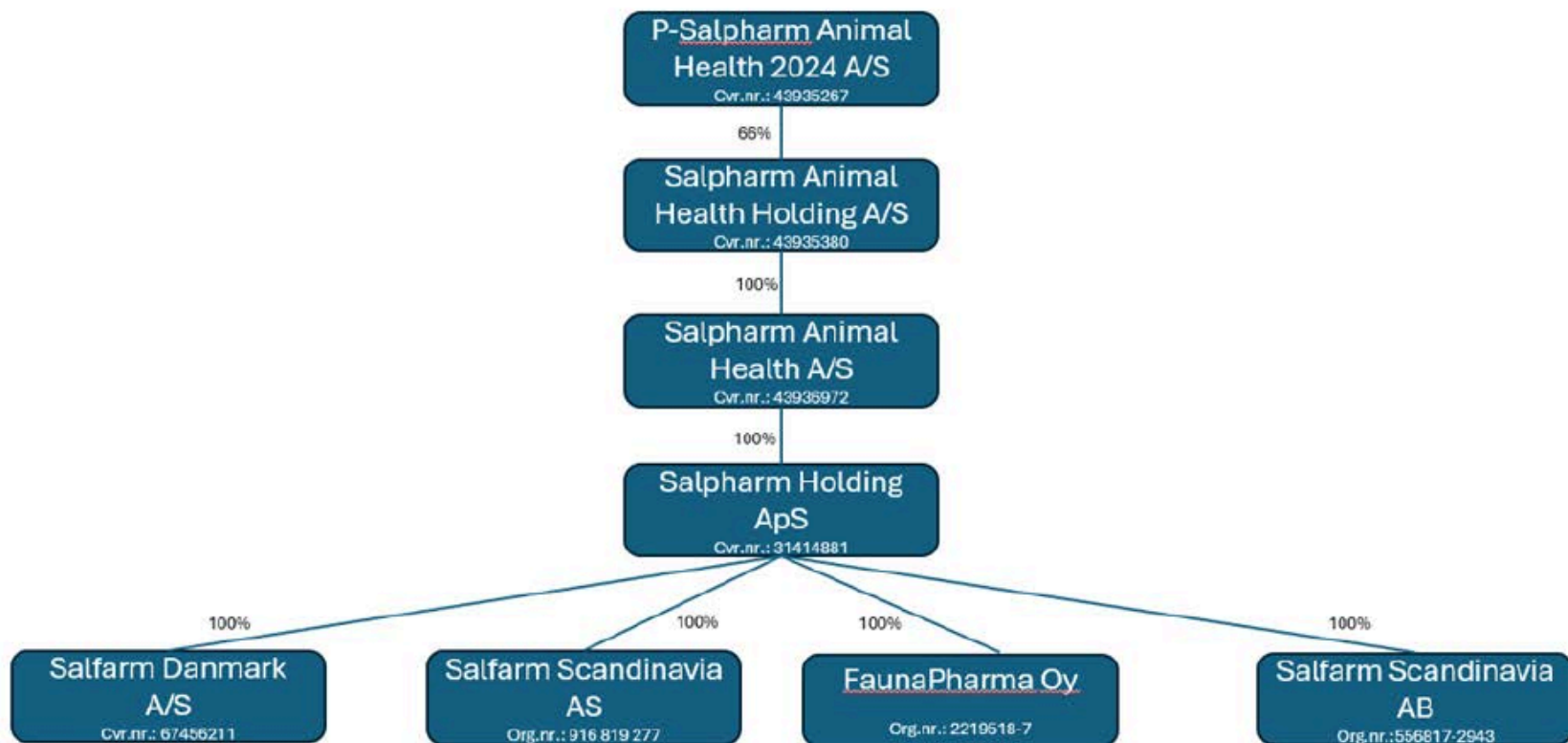
Seen over a 2-year period, the development of the Group is described by the following financial highlights:

(TDKK)	Group	
	2025	2024
Key figures		
Profit/loss		
Gross profit/loss	94,982	-10,387
Profit/loss of primary operations	28,782	-10,387
Profit/loss of financial income and expenses	-11,725	59
Net profit/loss for the year	11,085	-10,334
Balance sheet		
Balance sheet total	445,056	460,720
Investment in property, plant and equipment	148	0
Equity	233,546	219,192
Cash flows		
Cash flows from:		
- operating activities	39,470	-4,160
- investing activities	-25,133	-273,219
- financing activities	-37,679	319,382
Change in cash and cash equivalents for the year	-23,342	42,003
Number of employees	41	1
Ratios		
Return on assets	6.5%	-2.3%
Solvency ratio	52.5%	47.6%
Return on equity	4.9%	-9.4%

The key figures have been prepared in accordance with the recommendations and key figures of the Finance Association. Please refer to the definitions in the accounting policies section.

Management's review

Group chart



Business review

P-Salpharm Animal Health 2024 A/S provides services to its subsidiaries and invest in and hold shares in companies.

In 2024 P-Salpharm Animal Health 2024 A/S and its subsidiaries is an independent Nordic veterinary pharmaceutical company.

Financial review

The income statement for 2025 shows net profit of DKK 11.1 million against a net loss of DKK 10.3 million last year, and the balance sheet per 31 December 2025 shows equity of DKK 155 million.

In 2025 financial statement management expected an EBITDA at or slightly above DKK 50m.

In 2025, EBITDA has increased compared to 2025 to DKK 63.7 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 the Group. The 2025 average for the Group ended at 41 employees.

Management's review

Unusual matters having affected the financial statements

There have been no unusual circumstances which should be referred to in relation to the accounts.

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.

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. The Group continuously invests in the development of veterinary pharmaceuticals, which is a key lever in the continued successful development of the Group.

Management's review

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.

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 in this market and has developed a robust business model based on deep local market insight and knowledge of rules and regulations in each of the individual countries, 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 DKK 70m and 80m in 2026.

Income statement 1 January - 31 December

(DKK)	Note	Group		Parent company	
		2025	2024	2025	2024
Gross profit/loss		94,982,222	-10,387,003	-81,250	-375
Staff expenses	1	-28,894,365	0	0	0
Depreciation and impairment losses of property, plant and equipment		-34,956,812	0	0	0
Other operating expenses		-2,349,216	0	0	0
Profit/loss before financial income and expenses		28,781,829	-10,387,003	-81,250	-375
Income from investments in subsidiaries		0	0	7,418,727	-9,898,372
Financial income		441,576	71,344	11,973	33,715
Financial expenses		-12,166,138	-12,781	-5,554	-4,252
Profit/loss before tax		17,057,267	-10,328,440	7,343,896	-9,869,284
Tax on profit/loss for the year	2	-5,972,689	-5,171	16,463	-2,793
Net profit/loss for the year	3	11,084,578	-10,333,611	7,360,359	-9,872,077

Balance sheet 31 December

Assets

(DKK)	Note	Group		Parent company	
		2025	2024	2025	2024
Completed development projects		40,259,573	31,968,796	0	0
Customer relationships		148,392,124	169,591,000	0	0
Acquired other similar rights		1,041,287	1,162,602	0	0
Goodwill		157,548,165	152,748,048	0	0
Development projects in progress		2,080,960	1,443,813	0	0
Intangible assets	4	349,322,109	356,914,259	0	0
Other fixtures and fittings, tools and equipment		290,621	206,085	0	0
Leasehold improvements		369,347	685,988	0	0
Property, plant and equipment	5	659,968	892,073	0	0
Investments in subsidiaries	6	0	0	154,314,918	146,088,090
Deposits	7	187,878	126,077	0	0
Fixed asset investments		187,878	126,077	154,314,918	146,088,090
Fixed assets		350,169,955	357,932,409	154,314,918	146,088,090
Finished goods and goods for resale		42,414,306	40,315,725	0	0
Inventories		42,414,306	40,315,725	0	0
Trade receivables		30,828,261	18,745,217	0	0
Receivables from group enterprises		0	0	34,000	0
Other receivables		1,234,497	460,982	0	0
Corporation tax receivable from group enterprises		0	0	16,463	0
Prepayments	8	738,050	251,893	0	0
Receivables		32,800,808	19,458,092	50,463	0
Cash at bank and in hand		19,671,292	43,013,629	2,442,038	793,369
Current assets		94,886,406	102,787,446	2,492,501	793,369
Assets		445,056,361	460,719,855	156,807,419	146,881,459

Balance sheet 31 December

Liabilities and equity

(DKK)	Note	Group		Parent company	
		2025	2024	2025	2024
Share capital		15,809,632	15,809,632	15,809,632	15,809,632
Reserve for net revaluation under the equity method		0	0	458,862	0
Reserve for exchange rate conversion		545,616	0	545,615	0
Retained earnings		138,661,879	131,039,034	138,203,017	131,039,034
Equity attributable to shareholders of the Parent Company		155,017,127	146,848,666	155,017,126	146,848,666
Minority interests		78,528,638	72,343,437	0	0
Equity		233,545,765	219,192,103	155,017,126	146,848,666
Provision for deferred tax	9	41,909,199	44,714,734	0	0
Provisions		41,909,199	44,714,734	0	0
Credit institutions		107,968,294	155,950,000	0	0
Long-term debt	10	107,968,294	155,950,000	0	0
Credit institutions	10	10,971,428	181,136	0	0
Trade payables		31,376,436	29,265,226	0	0
Payables to group enterprises		0	3,287,805	1,752,793	30,000
Corporation tax		5,323,499	1,403,249	0	2,793
Other payables		13,961,740	6,725,602	37,500	0
Short-term debt		61,633,103	40,863,018	1,790,293	32,793
Debt		169,601,397	196,813,018	1,790,293	32,793
Liabilities and equity		445,056,361	460,719,855	156,807,419	146,881,459
Contingent assets, liabilities and other financial obligations	13				
Related parties	14				
Accounting Policies	15				

Statement of changes in equity

Group

(DKK)	Share capital	Reserve for exchange rate conversion	Retained earnings	Equity excl. minority interests	Minority interests	Total
Equity at 1 January	15,809,632	232,564	130,806,471	146,848,667	72,340,160	219,188,827
Exchange adjustments	0	313,052	0	313,052	159,308	472,360
Cash capital increase	0	0	0	0	2,089,552	2,089,552
Other equity movements	0	0	495,049	495,049	215,399	710,448
Net profit/loss for the year	0	0	7,360,359	7,360,359	3,724,219	11,084,578
Equity at 31 December	15,809,632	545,616	138,661,879	155,017,127	78,528,638	233,545,765

Parent company

(DKK)	Share capital	Reserve for net revaluation under the equity method	Reserve for exchange rate conversion	Retained earnings	Total
Equity at 1 January	15,809,632	0	232,563	130,806,471	146,848,666
Exchange adjustments	0	0	313,052	0	313,052
Other equity movements	0	495,049	0	0	495,049
Net profit/loss for the year	0	-36,187	0	7,396,546	7,360,359
Equity at 31 December	15,809,632	458,862	545,615	138,203,017	155,017,126

Cash flow statement 1 January - 31 December

(DKK)	Note	Group	
		2025	2024
Result of the year		11,084,578	- 10,333,611
Adjustments	11	50,635,709	-53,392
Change in working capital	12	-3,765,043	6,168,730
Cash flow from operations before financial items		57,955,244	-4,218,273
Financial income		441,576	71,344
Financial expenses		-12,166,138	-12,781
Cash flows from ordinary activities		46,230,682	-4,159,710
Corporation tax paid		-6,760,598	0
Cash flows from operating activities		39,470,084	-4,159,710
Purchase of intangible assets		-2,081,649	0
Purchase of property, plant and equipment		-148,000	0
Business acquisition		-21,398,557	-301,815,318
Cash and cash equivalents of acquired business		-1,504,996	28,596,505
Cash flows from investing activities		-25,133,202	-273,218,813
Repayment of loans from credit institutions		-37,191,414	155,950,000
Repayment of payables to group enterprises		-3,287,805	4,028,479
Cash capital increase		2,800,000	159,403,046
Cash flows from financing activities		-37,679,219	319,381,525
Change in cash and cash equivalents		-23,342,337	42,003,002
Cash and cash equivalents at 1 January		43,013,629	1,010,627
Cash and cash equivalents at 31 December		19,671,292	43,013,629
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		19,671,292	43,013,629
Cash and cash equivalents at 31 December		19,671,292	43,013,629

Notes to the Financial Statements

1. Staff expenses

(DKK)	Group		Parent company	
	2025	2024	2025	2024
Wages and salaries	25,597,638	0	0	0
Pensions	2,241,128	0	0	0
Other social security expenses	1,055,599	0	0	0
	<u>28,894,365</u>	<u>0</u>	<u>0</u>	<u>0</u>
Average number of employees	41	1	1	1

The group and the parent company's only employee is the CEO, who has not received any remuneration during the financial year.

2. Income tax expense

(DKK)	Group		Parent company	
	2025	2024	2025	2024
Current tax for the year	11,347,940	5,171	-16,463	2,793
Adjustment of tax concerning previous years	5,171	0	0	0
Adjustment of deferred tax concerning previous years	-5,380,422	0	0	0
	<u>5,972,689</u>	<u>5,171</u>	<u>-16,463</u>	<u>2,793</u>

3. Profit allocation

(DKK)	Group		Parent company	
	2025	2024	2025	2024
Reserve for net revaluation under the equity method	0	0	-36,187	0
Minority interests' share of net profit/loss of subsidiaries	3,724,219	-461,534	0	0
Retained earnings	7,360,359	-9,872,077	7,396,546	-9,872,077
	<u>11,084,578</u>	<u>-10,333,611</u>	<u>7,360,359</u>	<u>-9,872,077</u>

Notes to the Financial Statements

4. Intangible fixed assets

Group					
(DKK)	Completed development projects	Customer relationships	Acquired other similar rights	Goodwill	Development projects in progress
Cost at 1 January	31,968,796	169,591,000	1,162,602	152,748,048	1,443,813
Additions for the year	11,993,152	0	0	12,947,053	2,081,649
Disposals for the year	0	0	0	0	-38,502
Transfers for the year	1,406,000	0	0	0	-1,406,000
Cost at 31 December	45,367,948	169,591,000	1,162,602	165,695,101	2,080,960
Impairment losses and amortisation at 1 January	0	0	0	0	0
Amortisation for the year	5,108,375	21,198,876	121,315	8,146,936	0
Impairment losses and amortisation at 31 December	5,108,375	21,198,876	121,315	8,146,936	0
Carrying amount at 31 December	40,259,573	148,392,124	1,041,287	157,548,165	2,080,960
Amortised over	8 - 10 years	8 years	10 years	5 - 20 years	

The development costs relate to expanding the indications and species for existing products, as well as preparing new registration dossiers. Ongoing development projects are expected to be completed during 2026 - 2030. The projects are progressing as planned using the allocated resources. It is expected that the development of the products will increase market demand from both existing and new customers. Prior to commencement, there were strong indications that there was a market need for the anticipated developments.

5. Property, plant and equipment

Group		
(DKK)	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January	206,085	685,988
Additions for the year	148,000	0
Disposals for the year	-25,000	0
Cost at 31 December	329,085	685,988
Impairment losses and depreciation at 1 January	0	0
Depreciation for the year	63,464	316,641
Impairment and depreciation of sold assets for the year	-25,000	0
Impairment losses and depreciation at 31 December	38,464	316,641
Carrying amount at 31 December	290,621	369,347
Amortised over	3 - 10 years	5 years

Notes to the Financial Statements

6. Investments in subsidiaries

(DKK)	Parent company	
	2025	2024
Cost at 1 January	153,310,441	1,008,800
Additions for the year	0	152,301,641
Cost at 31 December	153,310,441	153,310,441
Value adjustments at 1 January	-7,222,351	-63,243
Exchange adjustment	313,052	0
Net profit/loss for the year	7,418,727	-9,898,372
Other adjustments	495,049	2,739,264
Value adjustments at 31 December	1,004,477	-7,222,351
Carrying amount at 31 December	154,314,918	146,088,090

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Salpharm Animal Health Holding A/S	Kolding, Denmark	66%
- Salpharm Animal Health A/S	Kolding, Denmark	66%
- Salpharm Holding ApS	Kolding, Denmark	66%
- Salfarm Danmark A/S	Kolding, Denmark	66%
- Salfarm Scandinavia AB	Helsingborg, Sweden	66%
- Salfarm Scandinavia AS	Oslo, Norway	66%
- FaunaPharma Oy	Espoo, Finland	66%

7. Other fixed asset investments

Group	Deposits
(DKK)	
Cost at 1 January	126,077
Additions for the year	61,801
Cost at 31 December	187,878
Carrying amount at 31 December	187,878

Notes to the Financial Statements

8. Prepayments

Prepayments consist of prepaid expenses related to electricity, travel expenses, insurance, and annual fee to the Danish Medicines Agency etc.

9. Provision for deferred tax

(DKK)	Group		Parent company	
	2025	2024	2025	2024
Deferred tax liabilities at 1 January	44,714,734	0	0	0
Net effect from merger and acquisition	2,574,887	44,714,734	0	0
Amounts recognised in the income statement for the year	-5,380,422	0	0	0
Deferred tax liabilities at 31 December	41,909,199	44,714,734	0	0

10. 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)	Group		Parent company	
	2025	2024	2025	2024
Credit institutions				
After 5 years	0	93,570,000	0	0
Between 1 and 5 years	107,968,294	62,380,000	0	0
Long-term part	107,968,294	155,950,000	0	0
Within 1 year	10,971,428	0	0	0
Other short-term debt to credit institutions	0	181,136	0	0
	118,939,722	156,131,136	0	0

Notes to the Financial Statements

11. Cash flow statement - Adjustments

(DKK)	Group	
	2025	2024
Financial income	-441,576	-71,344
Financial expenses	12,166,138	12,781
Depreciation, amortisation and impairment losses, including losses and gains on sales	34,956,812	0
Tax on profit/loss for the year	5,972,689	5,171
Other adjustments	-2,018,354	0
	<u>50,635,709</u>	<u>-53,392</u>

12. Cash flow statement - Change in working capital

(DKK)	Group	
	2025	2024
Change in inventories	3,392,369	0
Change in receivables	-7,986,412	-379,528
Change in trade payables, etc	829,000	6,548,258
	<u>-3,765,043</u>	<u>6,168,730</u>

13. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

The group has assumed lease commitments amounting to DKK 3.109.635 as at the balance sheet date.

The group has assumed rent obligation amounting to DKK 488.529 as at the balance sheet date.

Guarantee obligations

The parent company has provided unlimited, joint and several guarantees to the financial institution for the subsidiary Salpharm Animal Health A/S' outstanding balances with the bank.

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the Danish 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 Group's liability.

Notes to the Financial Statements

13. Contingent assets, liabilities and other financial obligations (continued)

Other financial obligations

The Group has entered into agreements regarding other financial obligations of DKK 79,217k.

The Parent Company has entered into agreements regarding other financial obligations of DKK 0k.

14. Related parties

Transactions

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

Transactions with related parties have been conducted on an arm's length basis.

Notes to the Financial Statements

15. Accounting policies

The Annual Report of P-Salpharm Animal Health 2024 A/S for 2025 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2025 are presented in DKK.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, P-Salpharm Animal Health 2024 A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Business acquisitions carried through on or after 1 July 2018

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. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

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.

Notes to the Financial Statements

15. Accounting policies (continued)

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.

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.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

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

Translation policies

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; however, see the section on hedge accounting.

Notes to the Financial Statements

15. Accounting policies (continued)

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

Revenue

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

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

Expenses for raw materials and consumables

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

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of property, plant and equipment.

Notes to the Financial Statements

15. Accounting policies (continued)

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 changes 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.

The Company is jointly taxed with Danish group companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 5-20 years, determined on the basis of Management's experience with the individual business areas. The depreciation period is 20 years on a strategically acquired company with a strong market position and long earnings profile. Goodwill is amortized over the estimated useful life of the investment in the subsidiary based on the business case determined at the time of purchase.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

Notes to the Financial Statements

15. Accounting policies (continued)

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 8-10 year.

Other intangible fixed assets

Rights are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Rights are amortised over the period of the agreements, which is 10 years.

Customer relationships are amortised on a straight-line basis over a 8 year useful life. Costs for acquired assets represent the purchase price acquisition.

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.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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.

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 amortized over their expected useful lives, which are between 8 to 20 years.

Notes to the Financial Statements

15. Accounting policies (continued)

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.

Other fixed asset investments

Other fixed asset investments consist of deposit.

Inventories

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

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

The cost of goods for resale equals landed cost.

Receivables

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

Prepayments

Prepayments consist of prepaid expenses related to electricity, travel expenses, insurance, and annual fee to the Danish Medicines Agency etc.

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.

Notes to the Financial Statements

15. Accounting policies (continued)

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.

Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's 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 changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. 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 cash flows from 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 cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$