20240709043419

ÅRSREDOVISNING

för

DHG Sweden Holding AB

Org.nr. 559239-4661

Styrelsen får härmed avlämna årsredovisning för räkenskapsåret 2023-01-01 - 2023-12-31

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Undertecknad styrelseledamot i DHG Sweden Holding AB intygar härmed, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkning fastställts på årsstämma den 30 juni 2024.
Stämman beslöt tillika godkänna styrelsens förslag till vinstdisposition.

Stockholm 2024-07-01

Andreas Ericson

DHG Sweden Holding AB
Org.nr. 559239-4661

FÖRVALTNINGSBERÄTTELSE

Årsredovisningen är upprättad i svenska kronor, SEK.

Verksamheten
Företaget är ett holdingbolag med ägande i Direct Healthcare Groups rörelsedrivande dotterbolag i Sverige, Norge, Danmark och Finland.
Företagets säte är Reftele, Gislaveds kommun.

Flerårsjämförelse*

	2023	2022	2021	2020
Nettoomsättning	12 360 910	0	1 297 200	245 181
Res. efter finansiella poster	-64 241 108	-41 838 993	-16 968 409	3 693 623
Balansomslutning	317 022 717	284 664 309	230 940 826	265 619 422
Soliditet (%)	13,82	26,40	21,77	25,10

*Definitioner av nyckeltal, se noter

Väsentliga händelser under räkenskapsåret
Den 27 december 2023 förvärvade DHG Sweden Holdings AB MEDICAUCE SOLUCIONES SANITARIAS, S.L, ett bolag med verksamhet i Spanien. Detta köp är avsett att utöka koncernens befintliga position som en ledande leverantör av tjänster för patienten hanteringssektorn och utveckla en närvaro i Spanien.

Under 2023 har det genomförts en nyemission där 100 nya aktier har tecknats och tilldelats för betalning motsvarande 32 920 142 kr. Aktiekapitalet har ökats med 100 kr.

Nedskrivning av andelar i dotterföretag har skett med 46 296 530 kr.

Väsentliga händelser efter räkenskapsårets slut
Inga väsentliga händelser har inträffat efter räkenskapsårets slut.

Förändringar i eget kapital

	Aktiekapital	Övrigt bundet eget kapital	Övrigt fritt eget kapital	Årets resultat	Summa fritt eget kapital
Belopp vid årets ingång	25 101	0	116 966 748	-41 838 993	75 127 755
Pågående nyemission		100	32 920 042	0	32 920 042
Resultatdisp. enl. beslut av årsstämma:			-41 838 993	41 838 993	0
Årets förlust				-64 241 108	-64 241 108
Belopp vid årets utgång	25 101	100	108 047 797	-64 241 108	43 806 689

Resultatdisposition

Förslag till disposition av bolagets vinst

Till årsstämmans förfogande står	
balanserad förlust	-56 335 122
fri överkursfond	126 382 919
erhållna aktieägartillskott	38 000 000
årets förlust	-64 241 108
	43 806 689
Styrelsen föreslår att	
i ny räkning överföres	43 806 689
	43 806 689

Beträffande bolagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter.

20240703133421

DHG Sweden Holding AB
Org.nr. 559239-4661

RESULTATRÄKNING

	Not	2023-01-01 2023-12-31	2022-01-01 2022-12-31
Rörelsens intäkter m.m.			
Nettoomsättning		12 360 910	0
		12 360 910	0
Rörelsens kostnader			
Övriga externa kostnader		-13 497 311	-772 413
Personalkostnader	2	0	0
		-13 497 311	-772 413
Rörelseresultat		-1 136 401	-772 413
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	3	-46 296 530	-21 975 419
Ränteintäkter från koncernföretag		6 823 991	4 518 726
Räntekostnader och liknande resultatposter		-22 700 619	-23 118 845
Räntekostnader till koncernföretag		-931 549	-491 042
		-63 104 707	-41 066 580
Resultat efter finansiella poster		-64 241 108	-41 838 993
Resultat före skatt		-64 241 108	-41 838 993
Skatt på årets resultat	4	0	0
Årets resultat		**-64 241 108**	**-41 838 993**

DHG Sweden Holding AB
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BALANSRÄKNING

	Not	2023-12-31	2022-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	5	174 770 735	184 618 317
Uppskjuten skattefordran		573 326	573 326
		175 344 061	185 191 643
Summa anläggningstillgångar		175 344 061	185 191 643
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		109 032 782	96 344 845
Aktuell skattefordran		1 066	1 448 745
Övriga fordringar		230 181	78 206
		109 264 029	97 871 796
Kassa och bank			
Kassa och bank		32 414 627	1 600 870
Summa kassa och bank		32 414 627	1 600 870
Summa omsättningstillgångar		141 678 656	99 472 666
SUMMA TILLGÅNGAR		**317 022 717**	**284 664 309**

DHG Sweden Holding AB
Org.nr. 559239-4661

BALANSRÄKNING

	Not	2023-12-31	2022-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		25 101	25 101
Ej registrerat aktiekapital		100	0
		25 201	25 101
Fritt eget kapital			
Fri överkursfond		126 382 919	93 462 877
Balanserat resultat		-56 335 122	-14 496 129
Erhållet aktieägartillskott		38 000 000	38 000 000
Årets resultat		-64 241 108	-41 838 993
		43 806 689	75 127 755
Summa eget kapital		43 831 890	75 152 856
Långfristiga skulder	6		
Skulder till kreditinstitut		195 381 946	185 086 605
Övriga skulder		3 896 550	0
Summa långfristiga skulder		199 278 496	185 086 605
Kortfristiga skulder			
Skulder till koncernföretag		45 244 287	23 896 848
Upplupna kostnader och förutbetalda intäkter		28 668 044	528 000
Summa kortfristiga skulder		73 912 331	24 424 848
SUMMA EGET KAPITAL OCH SKULDER		**317 022 717**	**284 664 309**

NOTER

Not 1 Redovisnings- och värderingsprinciper

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning.

Principerna är oförändrade jämfört med föregående år.

Fordringar
Fordringar har upptagits till de belopp varmed de beräknas inflyta.

Övriga tillgångar, avsättningar och skulder
Övriga tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Intäktsredovisning
Inkomsten redovisas till det verkliga värdet av vad som erhållits eller kommer att erhållas. Företaget redovisar därför inkomsten till nominellt värde (fakturabelopp) om ersättningen erhålls i likvida medel direkt vid leverans. Avdrag görs för lämnade rabatter.

Andelar i koncernföretag
Andelar i dotterföretag redovisas till anskaffningsvärde. Utdelning från dotterföretag redovisas som intäkt när rätten att få utdelning bedöms som säker och kan beräknas på ett tillförlitligt sätt.

Finansiella instrument
Finansiella instrument värderas utifrån anskaffningsvärde.

Finansiella tillgångar och finansiella skulder redovisas när företaget blir part i det finansiella instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när den avtalsenliga rätten till kassaflödet från tillgången upphör eller regleras, eller när de risker och fördelar förknippade med tillgången överförs till annan part. Finansiella skulder tas bort från balansräkningen när den avtalade förpliktelsen fullgörs eller upphör.

Finansiella anläggningstillgångar och finansiella långfristiga skulder samt räntebärande kortfristiga finansiella fordringar och skulder värderas såväl vid första redovisningstillfället som i efterföljande värdering till upplupet anskaffningsvärde, vilket normalt är detsamma som verkligt värde (transaktionsvärdet) vid anskaffningstidpunkten med tillägg av direkt hänförliga transaktionsutgifter såsom courtage.

Emissionsutgifter och andra låneutgifter än ränta redovisas som en korrigering av lånets anskaffningsvärde och periodiseras som en del av lånets räntekostnad enligt effektivräntemetoden.

Nedskrivning av finansiell anläggningstillgång
Per varje balansdag bedömer företaget om det finns indikationer på nedskrivningsbehov. Bedömningen görs individuellt post för post. Företagets värdepappersportfölj utgör en post då företaget utformat och dokumenterat en riskspridningsstrategi och de finansiella instrumenten i portföljen är klart identifierbara. Vid varje balansdag utvärderar företaget om det finns indikationer på att en eller flera finansiella anläggningstillgångar minskat i värde. Exempel på sådana indikationer är betydande finansiella svårigheter hos låntagaren, avtalsbrott eller att det är sannolikt att låntagaren kommer att gå i konkurs.

För finansiella anläggningstillgångar som värderas till upplupet anskaffningsvärde görs nedskrivning av redovisat värde till nuvärdet av den bästa uppskattningen av framtida kassaflöden diskonterat med tillgångens ursprungliga effektivränta eller aktuell ränta på balansdagen för tillgångar med rörlig förräntning. Tillgångar med rörlig ränta diskonteras med aktuell ränta på balansdagen. För finansiella anläggningstillgångar som handlas på en aktiv marknad har företaget valt att göra nedskrivningar till verkligt värde med avdrag för försäljningskostnader. För finansiella anläggningstillgångar som värderas till upplupet anskaffningsvärde beräknas nedskrivningen som skillnaden mellan tillgångens redovisade värde och nuvärdet av företagsledningens bästa uppskattning av framtida kassaflöden. Diskontering sker med en ränta som motsvarar tillgångens ursprungliga effektivränta. För tillgångar med rörlig ränta används den på balansdagen aktuella räntan.

Per varje balansdag bedöms om en tidigare nedskrivning ska återföras helt eller delvis till följd av att de skäl som låg till grund för nedskrivningen har förändrats.

NOTER

Inkomstskatt
Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats.
Aktuell skatt värderas till det sannolika beloppet enligt de skattesatser och skatteregler som gäller på balansdagen.

Fordringar och skulder i utländsk valuta
Monetära fordringar och skulder i utländsk valuta har räknats om till balansdagens kurs.

Valutakursdifferenser som uppkommer vid reglering eller omräkning av monetära poster redovisas i resultaträkningen det räkenskapsår de uppkommer, antingen som en rörelsepost eller som en finansiell post utifrån den underliggande affärshändelsen.

UPPLYSNINGAR TILL ENSKILDA POSTER

Not 2	**Medelantal anställda**	**2023**	**2022**
	Medelantal anställda Medelantalet anställda bygger på av bolaget betalda närvarotimmar relaterade till en normal arbetstid.		
	Medelantal anställda har varit	0	0

Not 3	**Resultat från andelar i koncernföretag**	**2023**	**2022**
	Nedskrivningar	-46 296 530	-21 719 183
		-46 296 530	-21 719 183

Not 4	**Skatt på årets resultat**	**2023**	**2022**
	Avstämning av effektiv skatt		
	Resultat före skatt	-64 241 108	-41 838 993
	Skattekostnad 20,60% (20,60%)	13 233 668	8 618 833
	Skatteeffekt av:		
	Ej avdragsgilla kostnader	-13 224 211	-6 573 864
	Uppkomna ej balanserade underskottsavdrag	-9 457	-2 044 969
	Summa	0	0

NOTER

Not 5 Andelar i koncernföretag

Företag Organisationsnummer	Säte	Kapital-andel %	2023-12-31 Redovisat värde	2022-12-31 Redovisat värde
DHG Sverige AB				
556245-5856	Kista, Sverige	100%	120 141 591	120 141 591
GATE Rehab Development AB				
556564-0041	Reftele, Sverige	100%	15 956 374	16 787 590
DHG Danmark AS				
27225780	Herning, Danmark	100%	0	0
DHG Norge AS				
816122082	Lierstranda, Norge	100%	2 223 822	2 223 822
DHG Finland Holdings Oy				
3010089-7	Helsingfors, Finland	100%	0	0
Vendlet ApS				
21800279	Vejle, Danmark	100%	0	45 465 314
Medicauce Soluciones Sanitarias, S.L				
B-45838745	Bargas, Spanien	100%	36 448 948	0
			174 770 735	184 618 317

Ingående anskaffningsvärde	287 653 485	242 188 171
Inköp	36 448 948	45 465 314
Utgående ackumulerade anskaffningsvärden	324 102 433	287 653 485
Ingående nedskrivningar	-103 035 168	-81 059 749
Årets nedskrivningar	-46 296 530	-21 975 419
Utgående ackumulerade nedskrivningar	-149 331 698	-103 035 168
Utgående redovisat värde	174 770 735	184 618 317

Not 6 Långfristiga skulder

	2023-12-31	2022-12-31
Amortering inom 2 till 5 år	199 278 496	185 086 605

Not 7 Ställda säkerheter

	2023-12-31	2022-12-31
Bankmedel	32 414 627	1 126 746

Not 8 Eventualförpliktelser

2023-12-31 2022-12-31

Enligt avtal har koncernen solidariskt betalningsansvar till respektive kreditinstitut. Vid utgången av räkenskapsåret uppgår totala utestående lån till 1 167 323 tkr. Ledningen övervakar kontinuerligt företagets och koncernens ekonomiska resultat och från granskning av de finansiella prognoserna under en period av mer än 12 månader från undertecknandet visar att verksamheten förväntar sig att fortsätta handla lönsamhet och har tillräckligt med rörelsekapital för att möta kreditfacilitetens krav.

Not 9 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser har inträffat efter räkenskapsårets slut.

NOTER

Not 10 Koncernförhållanden

Bolaget är moderbolag, men med stöd av ÅRL 7 kap 2 § upprättas inte någon koncernredovisning.

Det direkta ägarbolaget är DHG Midco s.a.r.l. (registreringsnummer B240658), ett bolag registrat i Luxemburg. Det slutliga moderbolaget är DHG Holdco s.a.r.l. (registreringsnummer B240691), som också är registrerat i Luxemburg och är den minsta och största koncernen i vilken resultatet för detta företag konsolideras. De verkliga huvudmänen för koncernen är Denis Ribon och Vincent Guilaumot som äger en fondgrupp som förvaltas av Archimed.

Not 11 Definition av nyckeltal

Soliditet
Justerat eget kapital i procent av balansomslutning

Reftele 28/6 - 2024

Graham Ewart

Eva-Lena Abel

Andreas Ericson

Kajsa Palmgren

Vår revisionsberättelse har lämnats den 28/6 - 2024

Grant Thornton Sweden AB

Claes Jörstam
Auktoriserad revisor

Revisionsberättelse

Till bolagsstämman i DHG Sweden Holding AB

Org.nr. 559239 - 4661

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för DHG Sweden Holding AB för år 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av DHG Sweden Holding ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till DHG Sweden Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste

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också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för DHG Sweden Holding AB för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till DHG Sweden Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet.

Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Göteborg den 28 juni 2024
Grant Thornton Sweden AB

Claes Jörstam
Auktoriserad revisor

VIDIMERAS:

ANDREAS ERICSON

070-3240304

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DHG Holdco S.à r.l.
Société à responsabilité limitée

Consolidated financial statements
as at December 31, 2023

10, rue Henri Schnadt
L - 2350 Luxembourg
R.C.S. Luxembourg: B240691

Grant Thornton Luxembourg

Grant Thornton Audit &
Assurance
Société anonyme
13, rue de Bitbourg
L-1273 Luxembourg

T +352 40 12 99 1
F +352 40 05 98

To the Partners of
DHG Holdco S.à r.l.
10, rue Henri Schnadt
L-2530 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of DHG Holdco S.à r.l. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "*Commission de Surveillance du Secteur Financier*" (the "CSSF"). Our responsibilities under the Law of 23 July 2016 and the ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "*Réviseur d'Entreprises Agréé*" for the Audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information included in the consolidated management report but does not include the consolidated financial statements and our report of the *"Réviseur d'Entreprises Agréé"* thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the *"Réviseur d'Entreprises Agréé"* for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *"Réviseur d'Entreprises Agréé"* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers;
- Conclude on the appropriateness of Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *"Réviseur d'Entreprises Agréé"* to the related disclosures in the consolidated 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 report of the *"Réviseur d'Entreprises Agréé"*. However, future events or conditions may cause the Group to cease to continue as a going concern;

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

Report on Other Legal and Regulatory Requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Luxembourg, 26 June 2024

Monika TASI
Réviseur d'Entreprises Agréé
Grant Thornton Audit & Assurance

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DHG Holdco S.à r.l.

R.C.S. Luxembourg: B240691
Consolidated financial statements
as at December 31, 2023

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DHG Holdco S.à r.l.
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Consolidated financial statements
as at December 31, 2023

Management report

Introduction

DHG Holdco S.à r.l (hereafter "the Company") was incorporated following the acquisition of DHG Bidco Limited (and its subsidiaries) in December 2019 by Archimed. The Company's financial year starts on 1 January and ends on 31 December of each year.

The Group provides products and services that uniquely enables the healthcare challenges associated with reduced patient movement to be anticipated, managed and in many cases resolved.

Business Review

During the year the Group continued its strategy to be a significant partner for its customers, in delivering harm free patient care, in its core European geographies, which in 2023 involved making two further acquisitions. These acquisitions were identified as being a strategic fit through geographic and product expansion.

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On September 29, 2023, the Group acquired Benmor Group with operations in the UK. This acquisition is intended to bolster the Groups existing presence in the UK and strengthening DHG's Bariatric Rental and Service Operations.

On December 27, 2023, the Group acquired Medicauce Group with operations in Spain. This purchase is intended to expand the Groups existing position as a leading provider of services in the patient handling sector and develop a presence in Spain.

Exceptional costs in the period mainly relate to deal costs associated with acquisitions, alongside the restructuring and integration of the acquisitions.

A key metric that the directors monitor is earnings before interest, taxation, depreciation and amortization (EBITDA). During the year ended December 31, 2023, the EBITDA amounted to £16,820k (2022: £14,866k). Included within the net loss was interest of £22,512k (2022: £16,398k), taxation of £-205k (2022: £114k), depreciation of £4,405k (2022: £4,240k), amortization of £7,360k (2022: £7,343k) and exceptional costs of £2,891k (2022: £4,005k) resulting in a net loss for the period of £20,553k (2022: £17,007k). No dividends were declared or paid during the period.

Research and development

The business continues to invest in targeted research and development activities and this continued during the year.

Principal risks and uncertainties

The principal risks and uncertainties that might affect the Group meeting its objectives are:

Market risk

The Group has a diversified product range across its main divisions: Pressure Area Care; Specialist Seating; Wheelchair cushions and accessories; rental & service; patient handling and is continually developing new and existing products to meet customer requirements. The Group also has a well-diversified customer portfolio.

Quality risk

The Group complies with high standards of quality throughout its business. Products are tested throughout the production processes, and the Group adheres to all relevant regulation and legislation, including relevant British and International Standards.

Price risk

Where possible the Group engages in customer contracts to enable any sustained increases or decreases in raw material prices to be reflected in customer prices.

Credit risk

The directors set credit limits for customers based on a combination of payment history and third-party credit references. Trading within these limits and related terms are monitored on a regular basis.

Liquidity risk

The directors strictly monitor the financial activities of the Group; unauthorised loans, borrowings and guarantee activities are strictly prohibited unless approved by the board of directors. It is policy to regularly monitor its liquidity requirements of the Group to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer-term.

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Interest rate risk
The Groups interest rate risk primarily relates to senior borrowings which are based on Euribor/Sonia plus a margin. The directors monitor the related interest rate risk exposure closely throughout the year in order to minimize interest expenses.

Going concern
Following the acquisition of the Group by Archimed in December 2019, the Group has grown revenues and EBITDA both organically and through acquisitions. The business is well placed to continue to support healthcare providers following the recent pandemic.

With the backing of Archimed, the Group continues to execute on its M&A strategy as noted in the business review. These acquisitions have been part funded through additional equity, but also through senior debt which has a bullet repayment in 2026.

The Group has continued executing its M&A strategy with two further acquisitions during the year. In September 2023, the business acquired the Benmor Group, located in the UK, and acquired the Medicauce Group in December 2023 located in Spain. These acquisitions are intended to further the Group's existing position in both the UK and European markets, strengthening DHG Group's position as a leading manufacturer and provider of services in pressure area care and patient handling sectors.

In 2023, Management have prepared financial forecasts for a period of greater than 12 months from signing, that show that the business expects to continue to trade profitability and has sufficient working capital to fund this growth. These forecasts also demonstrate that all covenants are expected to be met.

For these reasons, the Directors believe it is appropriate to apply the going concern basis in preparing the financial statements.

Key performance indicators

The Group's success is measured using a range of financial and non-financial key performance indicators ('KPIs') that are closely monitored by the directors.

The non-financial KPIs include customer orders satisfied on time and in full ("OTIF") which again consistently exceeded 98% throughout the period, across all product lines. Internal Health & Safety statistics are also monitored with three incident being reported under the Reporting of Injuries, Diseases and Dangerous Occurences Regulations 2013 ("RIDDOR").

Strategic objectives
The Group's key strategic objective is to operate as a significant partner for its customers in core European geographies with the delivery of harm-free patient care.

Environment, social and governance policy

Environment
Activity to reduce our environmental impact is focused on environmental management, energy reduction, minimisation of waste, diversion of waste from landfill and water conservation. The Group is certified to Environmental Management System 14001.

Health & safety
The safety and well-being of staff and all visitors to facilities remains a priority for everyone within the business. The Group continues to focus on all aspects of health and safety, with a special emphasis on those areas with the potential to cause serious harm.

Employees
The Group remains focused on supporting and developing people through training, communications and engagement.

Ethical policy

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The Group emphasises the importance of operating a business in both a responsible and ethical manner, and have set up appropriate standards and policies to uphold laws relevant to prevention of bribery and corruption in all the jurisdictions in which we operate. The Group has in place policies and procedures covering Whistleblowing and Anti-Bribery, the latter including policies in respect of gifts and hospitality.

The Group's ethical policy incorporates a Supplier Code of Conduct that has been communicated and rolled out to all suppliers via the purchasing team. All suppliers are expected to agree and adhere to the terms of this code.

This report was approved by the board and signed on its behalf.

Directors

Pierre Lentz

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Christophe Marcilla

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Consolidated statement of financial position

	Notes	31-12-23 £'000	31-12-22 £'000
Assets			
Non-current assets			
Goodwill	12	75 581	70 579
Property, plant and equipment	10	17 598	14 806
Intangible assets	12	60 270	65 527
Total non-current assets		**153 449**	**150 912**
Current assets			
Inventories	13	13 716	14 846
Trade and other receivables	14	16 696	17 529
Cash and cash equivalents		10 170	7 548
Corporation tax receivable	9	353	-
Total current assets		**40 935**	**39 924**
Total assets		**194 384**	**190 836**
Equity and liabilities			
Capital and reserves			
Share capital	20	1 723	1 723
Share premium account	21	2 187	2 187
Treasury shares		(3)	(3)
Currency translation reserves		(879)	(383)
Retained earnings		(56 507)	(35 954)
Total equity		**(53 479)**	**(32 430)**
Non-current liabilities			
Lease liabilities	11	7 010	6 851
Deferred tax liability	16	12 098	12 542
Third-party borrowings	18	90 922	86 496
Loans and borrowings	19	118 153	100 157
		228 183	**206 046**
Current liabilities			
Trade and other payables	17	16 977	14 953
Corporation tax payable	9	-	263
Lease liabilities	11	2 703	2 004
		19 680	17 220
Total equity and liabilities		194 384	190 836

Pierre Lentz

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Christophe Marcilla

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The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated statement of comprehensive income

		31-12-23			31-12-22
		Before amortisation and exceptional items	Amortisation and exceptional items (note 5)	Total	Total
	Notes	£'000	£'000	£'000	£'000
Revenue	3	97 769	-	97 769	89,500
Cost of Sales		(54 404)	-	(54 404)	(49,769)
Gross Profit		**43 365**	**-**	**43 365**	**39,731**
Expenses					
Intangibles Amortisation	12	-	(7 360)	(7 360)	(7 343)
Depreciation	10	-	(4 405)	(4 405)	(4 240)
Administrative expenses	5, 6, 8	(26 545)	(2 891)	(29 436)	(28 870)
Operating profit/(loss)		**16 820**	**(14 656)**	**2 164**	**(722)**
Finance costs	4	(22 512)	-	(22 512)	(16 398)
Profit / (loss) before taxation		**(5 692)**	**(14 656)**	**(20 348)**	**(17 120)**
Taxation	9	(205)	-	(205)	114
Profit / (loss) for the year/period		**(5 897)**	**(14 656)**	**(20 553)**	**(17 007)**
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss:					
Exchange difference in translating foreign operations		(496)	-	(496)	346
Other comprehensive loss for the year/period		**(496)**	**-**	**(496)**	**346**
Total comprehensive income / (expense)		**(6 393)**	**(14 656)**	**(21 049)**	**(16 661)**

The accompanying notes are an integral part of these consolidated financial statements.

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DHG Holdco S.à r.l.
R.C.S. Luxembourg: B240691
Consolidated financial statements
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Consolidated statement of changes in equity

	Called up share capital £'000	Share premium account £'000	Treasury shares £'000	Currency translation reserves £'000	Retained earnings £'000	Total equity £'000
At 1 January 2022	1 519	2 187	(3)	(729)	(18 947)	(15 973)
Shares issued	204	-	-	-	-	204
Total transactions with owners	204	-	-	-	-	204
Translation adjustment	-	-	-	346	-	346
Net loss for the period	-	-	-	-	(17 007)	(17 007)
Total comprehensive income (loss) for the period	-	-	-	346	(17 007)	(16 661)
Balance at 31 December 2022	1 723	2 187	(3)	(383)	(35 954)	(32 430)
Balance at 1 January 2023	1 723	2 187	(3)	(383)	(35 954)	(32 430)
Translation adjustment	-	-	-	(496)	-	(496)
Net loss for the period	-	-	-	-	(20 553)	(20 553)
Total comprehensive income (loss) for the period	-	-	-	(496)	(20 553)	(21 049)
Balance at 31 December 2023	1 723	2 187	(3)	(879)	(56 507)	(53 479)

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated statement of cash flows

	Note	Group 2023 £'000	Group 2022 £'000
Operating activities			
Net loss for the year		(20 553)	(17 007)
Items not involving cash:			
Amortisation	12	7 360	7 343
Depreciation	10	4 405	4 240
Interest payable	4	22 512	16 398
Corporation tax expense	9	205	(114)
Change in inventories		1 495	(2 093)
Change in trade and other receivables		2 387	(454)
Change in trade and other payables		524	(2 336)
Tax paid		(1 783)	(1 773)
Net cash from operating activities		**16 552**	**4 204**
Investing activities			
Purchase of intangible assets	12	(205)	(1 350)
Purchase of property and equipment	10	(3 181)	(3 154)
Acquisition of subsidiaries		-	(3 669)
Acquisition of business	23	(9 905)	(18 627)
Cash acquired on acquisition		796	9
Net cash used in investing activities		**(12 495)**	**(26 792)**
Financing activities			
Issue of ordinary shares		-	204
Issue of preference shares		7 776	15 790
Proceeds from loans and borrowings		-	177
Repayment of loans and borrowings		-	(290)
Interests paid on loans and borrowings		-	(66)
Proceeds from third-party borrowings		-	18 787
Interest paid		(6 584)	(6 379)
Repayment of lease liabilities		(2 579)	(2 375)
Net cash from financing activities		**(1 387)**	**25 847**
Change in cash during the year		**2 671**	**3 259**
Exchange adjustment of cash and cash equivalents		(49)	78
Cash and cash equivalents at end of the year		**10 170**	**7 548**

The accompanying notes are an integral part of these consolidated financial statements.

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Notes to the consolidated financial statements

1. General information

DGH Holdco S.à r.l. (the "Company") is a private limited liability company (société à responsabilité limitée) incorporated and existing under the laws of Grand-Duchy of Luxembourg on 4 December 2019 and having its registered office at 10, rue Henri Schnadt, L - 2350 Luxembourg, Luxembourg; registered with the Luxembourg Trade and Companies Register under number B240691.
These consolidated financial statements comprise the Company and its subsidiaries (together referred to as "the Group").

The principal activity of the Group is the design, manufacture and sale of equipment and accessories used within the medical profession.

The Group's year end is 31 December.

The immediate holding company is MP1 DHG Investment S.à r.l., incorporated in Luxembourg. The ultimate controlling parties are Denis Ribon and Vincent Guillaumot who own a Group of funds managed by Archimed.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

Basis of preparation

Income and cash flow statement
The Group has elected to present a consolidated statement of comprehensive income and presents its expenses by function.

The Group reports cash flows from operating activities using the indirect method.

Going concern
The management has considered a period of not less than twelve month following the date of signing, and have concluded that, due to the ongoing level of cash consideration, the profitability of the Group and forecasts for the following period, there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Group to continue as a going concern.

IFRS Standards and interpretation

Standards, interpretations and amendments that have been issued and are effective for annual periods beginning on 1 January 2023

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2023 that had a significant effect on the financial statements of the Company.

None of the amendments to Standards listed below that are effective from that date had a significant effect on the financial statements of the Company.

- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (effective date 1 January 2023).
- Amendments to IFRS 17 Insurance contracts: including Amendments to IFRS 17 (effective date 1 January 2023).
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective date 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective date 1 January 2023).
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective date 1 January 2023).

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Amendments to IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a single transaction (effective date 1 January 2023).

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group (adopted by IASB and endorsed by EU)

A number of new standards and amendments to standards and interpretations are either not yet effective for financial year beginning on or after 1 January 2023, and have not been applied in preparing these financial statements:

- Amendments to IAS 1 Presentation of Financial Statements (effective date 1 January 2024):
  - o Classification of Liabilities as Current or Non-current Date;
  - o Classification of Liabilities as Current or Non-current - Deferral of Effective Date; and
  - o Non-current Liabilities with Covenants.
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective date 1 January 2024).
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, not yet endorsed (effective date 1 January 2025).
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements, not yet endorsed (effective date 1 January 2024).
- IFRS 18 Presentation and Disclosure in Financial Statements (effective date 1 January 2027).
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective date 1 January 2027).

The Group is currently assessing the impact of these standards, amendments and interpretations on its financial statement but at this stage does not consider that they will have a significant effect save for any disclosure requirements.

Basis of consolidation

Principles

The consolidated financial statements of the Group include its stand-alone annual accounts as well as those of its entities directly or indirectly controlled that are deemed to be material after recognition of non-controlling interests.

Where appropriate, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Consolidation scope

As at December 31, 2023, and December 31, 2022, the consolidated accounts include the Company and the following directly and indirectly owned subsidiaries, all subsidiaries have the same year end:

	Company	Location	Principal activity	Consolidation method	Percentage of interest & control 31-12-23	Percentage of interest & control 31-12-22
1	DHG HoldCo S.à r.l (mother company)	Luxembourg	Holding company	Full consolidation	-	-
2	DHG MidCo S.à r.l	Luxembourg	Holding company	Full consolidation	100,00%	100,00%
3	DHG BidCo Limited	United Kingdom	Holding company	Full consolidation	100,00%	100,00%
4	Direct Healthcare Group Holdings Limited	United Kingdom	Dormant	Full consolidation	100,00%	100,00%
5	Direct Healthcare Group Management Limited	United Kingdom	Dormant	Full consolidation	100,00%	100,00%

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	Company	Location	Principal activity	Consolidation method	Percentage of interest & control **31-12-23**	Percentage of interest & control **31-12-22**
6	Nightingale Care Beds Limited	United Kingdom	Dormant	Full consolidation	100,00%	100,00%
7	Poshchair Medical Limited	United Kingdom	Dormant	Full consolidation	100,00%	100,00%
8	The Kirton Healthcare Group Limited	United Kingdom	Dormant	Full consolidation	100,00%	100,00%
9	Handicare Patient Handling Limited	United Kingdom	Dormant	Full consolidation	100,00%	100,00%
10	Direct Healthcare Group Limited	United Kingdom	Design and manufacture of equipment to the medical industry	Full consolidation	100,00%	100,00%
11	Direct Healthcare Services Limited	United Kingdom	Dormant	Full consolidation	100,00%	100,00%
12	Direct Healthcare Group Pty Ltd	Australia	Dormant	Full consolidation	100,00%	100,00%
13	Lynch Healthcare Limited	United Kingdom	Manufacture of pressure care, patient handling	Full consolidation	100,00%	100,00%
14	Qbitus Products Limited	United Kingdom	Manufacture of wheelchair and accessories	Full consolidation	100,00%	100,00%
15	DHG Dutch Holding B.V.	Netherland	Holding company	Full consolidation	100,00%	100,00%
16	Direct Healthcare Group B.V.	Netherland	Holding company	Full consolidation	100,00%	100,00%
17	DHG Sweden Holdings AB	Sweden	Holding company	Full consolidation	100,00%	100,00%
18	DHG Finland Holdings Oy	Finland	Holding company	Full consolidation	100,00%	100,00%
19	MediMatress Oy	Finland	Supply of patient-safe, researched and functional medical devices for healthcare	Full consolidation	100,00%	100,00%
20	GATE Rehab Development AB	Sweden	Product development, marketing and sale of in-house developed technical aids	Full consolidation	100,00%	100,00%
21	Direct Healthcare Group Sverige AB (previously known as Handicare AB)	Sweden	Sales of healthcare articles	Full consolidation	100,00%	100,00%
22	Direct Healthcare Group Denmark AS(previously known as Handicare A/S)	Denmark	Sales of healthcare articles	Full consolidation	100,00%	100,00%
23	Direct Healthcare Group Norge AS (previously known as Handicare Patient Handling AS)	Norway	Sales of healthcare articles	Full consolidation	100,00%	100,00%
24	C&J Evans Group Holdings 1 Ltd	England	Holding company	Full consolidation	100,00%	100,00%
25	Talley Group Ltd	England	Design and manufacture of medical device	Full consolidation	100,00%	100,00%
26	Talley (Asia) Ltd	England	Dormant	Full consolidation	100,00%	100,00%
27	The Sylvan Corporation Ltd	England	Dormant	Full consolidation	100,00%	100,00%

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	Company	Location	Principal activity	Consolidation method	Percentage of interest & control	Percentage of interest & control
					31-12-23	**31-12-22**
28	Global Holding B.V.	Netherlands	Holding company	Full consolidation	100,00%	100,00%
29	Falcon B.V.	Netherlands	Holding company	Full consolidation	100,00%	100,00%
30	United Care Products B.V.	Netherlands	Design and manufacture of medical device	Full consolidation	100,00%	100,00%
31	UniQare Quality Slings B.V.	Netherlands	Design and manufacture of medical device	Full consolidation	100,00%	100,00%
32	Benmor Medical Limited	United Kingdom	Holding Company	Full consolidation	100,00%	-
33	Benmor Limited	United Kingdom	Design and manufacture of equipment to the medical industry	Full consolidation	100,00%	-
34	Medicauce Soluciones Sanitarias S.L.	Spain	Sales of healthcare articles	Full consolidation	100,00%	

Inter-company transactions

All inter-company transactions, balances and gains and losses on transactions between Group companies have been eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Translation of foreign subsidiaries

The Group's consolidated financial statements are prepared in pounds (GBP).

The results and financial position of all the Group entities that have a currency different from GBP are translated into GBP as follows:
- assets and liabilities, except for capital and reserves, for each balance sheet items presented are translated at the rate prevailing at balance sheet date;
- capital and reserves are converted at the historical rate of exchange;
- income and expenses for each consolidated profit and loss account are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity under the caption "Currency translation reserve". Movements in Currency translation reserve are presented as an item of Other comprehensive income.

Business combination

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement for the period, otherwise, the difference will be recognized as goodwill. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 (2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share based payment awards are measured in accordance with IFRS 2 Share Based Payment; and
- assets (or disposal Groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

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When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each consolidated entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in pounds sterling, which is the Group's presentational currency. These financial statements are rounded to the nearest thousand pounds.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognised in the consolidated statement of profit and comprehensive income in Finance costs.

Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined. Where a gain or loss on a non-monetary item is recognized in other comprehensive income the foreign exchange component of that gain or loss is also recognized in other comprehensive income.

Taxation

The income tax expense represents the sum of tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

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Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority. Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income, or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.
In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition, Cost is calculated using the standard cost method and reviewed quarterly. Net realisable value represents the estimated cost of completion and costs to sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Leases

For any new contracts entered into the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right of use asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the company.
- The company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use.
- The company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentive received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the leases liability at the present value of the lease payments unpaid at that date, discounted using the incremental borrowing rate. The Group has elected to apply a single discount rate to a portfolio of leases with reasonably similar characteristics using practical expedients.

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Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these recognised as an expense in profit or loss on a straight-line basis over the lease term.
On the statement of financial position, the right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in lease liabilities.

Right-of-use assets are transferred between Group companies on a nil profit or loss basis.

Intangible assets

Initial recognition of intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Refer to Note 12 for a description of impairment testing procedures.

Patents

Patents are initially recognized at cost.

Brands, manufacturing know-how and customers lists

Brand names, manufacturing know-how and customer lists acquired in a business combination that qualify for separate recognition are recognized as intangible assets at their fair values.

Internally developed medical technology and apparatus

Expenditure on the research of projects to develop new specialist medical equipment is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- The development costs can be measured reliably;
- The project is technically and commercially feasible;
- The company intends to and has sufficient resources to complete the project;
- The company has the ability to use or sell the software;
- The specialist medical equipment will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Subsequent measurement

All finite-lived intangible assets, including capitalized internally generated development medical technology and appatatus, are accounted for using the cost model whereby capitalized costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 12. The following useful lives are applied:

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Patents	- 5 years
Manufacturing know-how	- 10 years
Trademarks	- 25 years
Brands and customer relationships	- 10 to 20 years
Development costs	- 6 years

Any capitalized internally generated development medical apparatus and technology that is not yet complete is not amortised but is subject to impairment testing.

When an intangible asset is disposed, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognized in profit or loss within other income or expenses.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Depreciation is provided on the following basis:

Leasehold improvements	- 3 to 7 years
Plant and machinery	- 3 to 10 years
Motor vehicles	- 4 years
Fixtures and fittings	- 3 years
Right of use assets	- over length of lease
Hire equipment	- 5-10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit or loss.

Assets under construction are not depreciated until brought into use. In the case of right-of-use assets, expected useful lives are determined by reference to comparable owned assets or the lease term, if shorter. Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Share capital and share premium

Share capital represents the nominal value of shares that have been issued. Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied stated net of value added taxes. The Group recognises revenue when performance obligations have been satisfied and for the Group this is when the goods (sale of specialist medical equipment) and services (hire, servicing and cleaning of specialist medical equipment) have transferred to the customer and the customer has control of these. The Group's activities are described in detail below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transactions and the specifics of each arrangement. Discounts and returns are immaterial.

Sale of goods

The Group manufactures and sells a range of specialist medical equipment. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer where the company provides delivery or upon collection by the customer if no delivery is provided. Delivery occurs when the products have been shipped to the specific location, the

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risks of obsolescence and loss have been transferred and the customer has accepted the products including objective evidence of acceptance.

Hire of equipment

The Group hires out specialist medical equipment. Revenue is recognised on a straight-line basis over the hire period as economic benefits are derived across the life of the rental period. Any hire agreements have been assessed in order to determine whether the contract contains a lease. Given that the Group retains the right to direct how and for what purpose the asset is used throughout the period of use, then these agreements are not considered to contain a lease as defined by IFRS 16 "Leases".

Servicing

The company provides service, repair and decontamination services. The associated revenue is recognised when the performance obligations associated with the contract are substantially met, which is over the time the service is provided.

Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence. See Note 5 for further details.

Impairment testing of goodwill, other intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are individually tested for impairments and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.
Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount which is the higher of fair value less costs of disposal and value-in-use. To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

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Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.
Provisions are charged as an expense to the profit or loss in the period that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.
When payments are eventually made, they are charged to the provision carried in the balance sheet.

Financial instruments

Financial assets, loans and receivables

The assets generated from goods or services transferred to customers are presented as either receivables or contract assets, in accordance with IFRS 15. The assessment of impairment of receivables is in accordance with IFRS 9 'Financial Instruments'. The Group does not have any contract assets.

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics.

All cash flows from customers are solely payments of principal, and do not contain a significant financing component. Financial assets generated from all of the company's revenue streams are therefore initially measured at their fair value, which is considered to be their transaction price (as defined in IFRS 15) and are subsequently remeasured at amortised cost.

Under IFRS 9, the company recognises a loss allowance for expected credit losses (ECL) on financial assets subsequently measured at amortised cost using a the 'simplified approach'. Individually significant balances are reviewed separately for impairment based on credit terms agreed with the customer. Other balances are assessed into credit risk categories and reviewed in aggregate.

Trade receivable and cash at bank and in hand are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables are initially recorded at fair value net of transaction costs, being invoiced amounts less any provisional estimate for impairment necessary due to a loss event. Trade receivables are subsequently remeasured at invoiced value, less an updated provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the profit and loss account.

Cash and cash equivalents include cash at bank and in hand and bank deposits available with no notice or less than three months' notice from inception that are subject to an insignificant risk of changes in value. Bank overdrafts are presented as current liabilities to the extent that there is no right to offset with cash balances.

Following initial recognition, financial assets are subsequently remeasured at amortised cost using the effective interest method.

Financial liabilities

The Group's financial liabilities are trade and other payables including accrued expenses, third-party borrowings, and amounts owed to related parties.

All interest related charges are recognised as an expense in 'Finance costs' in the statement of comprehensive income.

Borrowings are initially recognised at fair value net of transaction costs. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognised respectively in finance income and finance costs. Borrowing costs are recognised as an expense in the period in which they are incurred.

Trade payables on normal terms are not interest bearing and are stated at their fair value on initial recognition and subsequently at amortised cost.

Critical accounting estimates and judgements

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There are no critical judgements in the preparation of these financial statements. Estimates have been made by management concerning the following:

Incremental borrowing rate applied to right-of-use assets

Determining the incremental borrowing rate applied in calculating lease liabilities under IFRS 16 requires the use of certain methodologies and assumptions. When determining the rate management assess various factors including the lease term, nature of the asset and the level of security for the right of use asset.
The Group applies an incremental borrowing rate in determining the value of the right of use assets. This is based upon a weighted average cost of capital reflecting Group experience of bank and secured finance and has been prepared in accordance with IFRS16.

Impairment of non financial assets

Determining whether intangible assets are impaired requires an estimate of the value in use. The value-in-use calculation involves an estimate of the future cash flows of the respective intangible asset and also the selection of appropriate discount rates to calculate present values. Future cash flows are estimated using the current one-year budget forecast, extrapolated for a future growth rate. The estimated growth rates are based on past experience and knowledge of the individual sector's markets. Changes in estimated growth rate could result in variations to the carrying value of these intangibles.

Impairment of goodwill

When assessing goodwill, management made certain assumptions in respect of future cash flows, namely around the growth rate and the discount rate applied to determine their present value (see Note 12).

Fair value of net assets acquired as part of a business combination

Management uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination. In particular, the fair value of separable intangible assets other than goodwill is dependent on many variables including the future profitability of the acquiree's trade (see Note 23).

3. Revenue

The Group's revenue by destination is as follows (all operations are continuing):

	Pressure area care	Specialist seating	Rental and service	Wheelchair products	Patient handling	Bathroom Safety	Other	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
UK	17 372	2 311	13 949	1 817	10 625	92	1 170	47 336	44,547
Europe	7 423	302	4 749	17	24 571	4 563	468	42 093	36,808
Rest of the world	3 146	165	3	1	3 689	68	1 268	8 340	8,144
Consolidated revenue	**27 941**	**2 778**	**18 701**	**1 835**	**38 885**	**4 723**	**2 906**	**97 769**	**89 500**

4. Finance income and costs

Finance costs for the reporting periods consists of the following:

	Period ended 31 December 2023 £'000	Period ended 31 December 2022 £'000
Interest payable on third-party borrowings and overdrafts	11 306	6 303

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Interest payable on loan from Group undertaking	10 242	8 447
Leasing arrangements	252	249
Foreign exchange (gains) and losses	100	852
Other interests	612	546
	22 512	16 398

5. Exceptional items

Exceptional items for the reporting periods consists of the following:

	Period ended 31 December 2023	Period ended 31 December 2022
	£'000	£'000
Group professional fees	1 372	1 977
Deal costs on acquisition of subsidiaries	690	1 070
Restructuring costs	829	958
	2 891	4 005

6. Operating expenses

The operating expenses are detailed in the table as follows:

	Period ended 31 December 2023	Period ended 31 December 2022
	£'000	£'000
Employee costs	28 539	27 141
Depreciation expenses	4 405	4 240
Amortisation expenses	7 360	7 343
	40 304	38 724

7. Auditor's remuneration

Auditor's remunerations are detailed as follows:

	Period ended 31 December 2023	Period ended 31 December 2022
	£'000	£'000
Fees payable to the Group's auditors:		
Annual audit – parent company and consolidated financial statements	67	61
Audit of company's subsidiaries pursuant of legislation	271	246
	338	307
Non-audit services	229	225
Total	567	532

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8. Staff costs

Group staff costs recognised as an expense, including directors' remuneration, were as follows:

	Period ended 31 December 2023 £'000	Period ended 31 December 2022 £'000
Wages and salaries	24 728	23 137
Social security costs	2 559	2 729
Pension – defined contribution	1 252	1 275
	28 539	**27 141**

Directors' remuneration disclosures are included in note 24.

The average number of persons, including executive directors, employed by the Group during the period was as follows:

	Period ended 31 December 2023 Number	Period ended 31 December 2022 Number
Manufacturing	352	220
Administration	245	396
	597	**616**

9. Taxation

	Period ended 31 December 2023 £'000	Period ended 31 December 2022 £'000
Current tax:		
Local corporation tax in current period	(1 575)	(1 142)
Deferred tax income (expense):		
Timing differences	1 370	1 256
Timing differences on business combinations	-	-
	1 370	**1 256**
Tax charge for the period	**(205)**	**114**

Corporate tax is calculated at 25% of the estimated taxable profit for the period, rate applicable in the UK.
Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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The tax charge for the period can be reconciled to the profit per the income statement as follows:

	Period ended 31 December 2023	Period ended 31 December 2022
Profit/ (Loss) before tax	(20 348)	(17 120)
Applicable tax rate	25%	19%
Calculated income tax	5 087	3 253
Tax effect of:		
Difference in overseas tax rate	(202)	530
Adjustments related to deferred tax	1 370	1 256
Tax exempt income/non-tax deductible expenses	(6 330)	(4 632)
Utilisation of brought forward tax losses	(130)	(293)
Total current tax income/(expense)	**(205)**	**114**

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10. Property, plant and equipment

Details of the Group's tangible fixed assets and their carrying amounts are as follows:

	Leasehold improvements £'000	Assets under construction £'000	Plant and machinery £'000	Motor vehicles £'000	Fixtures & fittings £'000	Right of use assets £'000	Freehold £'000	Total £'000
Cost								
As at 1 January 2023	**2 136**	**2 060**	**16 504**	**927**	**2 307**	**12 326**	**110**	**36 370**
Additions	-	1 436	1 460	13	272	2 804	-	5 985
Arising on acquisition	144	-	1 899	52	86	605	-	2 786
Net exchange difference	(4)	-	(32)	(10)	(10)	(55)	-	(113)
Disposals	-	-	(1 676)	(80)	(4)	(694)	-	(2 452)
Transfers between classes	-	(1 094)	386	-	708	-	-	-
As at 31 December 2023	**2 276**	**2 402**	**18 540**	**901**	**3 359**	**14 986**	**110**	**42 574**
Depreciation								
As at 1 January 2023	**1 694**	-	**13 234**	**783**	**1 739**	**4 022**	**92**	**21 564**
Charge for the year	167	-	597	39	1 205	2 397	-	4 405
Net exchange difference	(1)	-	(18)	(9)	(5)	(14)	-	(45)
Arising on acquisition	131	-	1 250	34	68	-	-	1 483
Disposals	-	-	(1,676)	(80)	-	(673)	-	(2 429)
As at 31 December 2023	**1 991**	-	**13 387**	**767**	**3 007**	**5 732**	**92**	**24 978**
Net book value								
As at 1 January 2023	**442**	**2 060**	**3 270**	**144**	**568**	**8 301**	**18**	**14 806**
As at 31 December 2023	**285**	**2 402**	**5 153**	**134**	**352**	**9 250**	**18**	**17 598**

During the period, the Group held equipment with a carrying value of £49k (2022: £101k), which were financed by finance leases and secured by the lessor's title to the leased assets.

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11. Leases

As of December 31, 2023, the net book value of right of use assets amounts to £ 9 250k (2022: £ 8 301k).

	Property	Motor vehicles	Other	Total
	£'000	£'000	£'000	£'000
As at 1 January 2023	**7 530**	**711**	**60**	**8 301**
Additions	970	1 779	55	**2 804**
Acquisitions of subsidiaries	420	115	71	**605**
Disposals	(71)	(623)	0	**(694)**
Depreciation charge	(1 630)	(712)	(55)	**(2 397)**
Eliminated on disposal	71	602	0	**673**
Net exchange difference	(35)	(7)	0	**(42)**
As at 31 December 2023	**7 255**	**1 865**	**131**	**9 250**

Lease liability in the balance sheet at 31 December	2023	2022
	£'000	£'000
Current	2 703	2 003
Non-current	7 010	6 851
As at 31 December	**9 713**	**8 855**

Amounts charged in the statement of income	2023	2022
	£'000	£'000
Depreciation charge on right of use assets	2 397	2 437
Interest on lease liabilities	251	249
As at 31 December	**2 648**	**2 686**

Cash outflow	2023	2022
	£'000	£'000
Total cash outflow for leases	2 579	2 375

Expenses recognised in relation to low-value and short-term leases are considered highly immaterial to these consolidated financial statements.

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Lease liabilities

	2023	2022
	£'000	£'000
Within one year	2 703	2 003
In the second to fifth years inclusive	7 010	6 851
More than five years	-	-
	9 713	**8 855**

12. Intangible assets

Details of the Group's intangible fixed assets and their carrying amounts are as follows:

	Patents	Development costs	Manufacturing know-how	Brands and customer list	Goodwill	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
As at 1 January 2023	525	2912	6 514	72 226	70 678	671	153 526
Arising from acquisitions	-	-	-	2 882	5 342	-	8 224
Additions	-	168	37	-	-	-	205
Disposals	-	130	-	(297)	-	(206)	(373)
Net exchange differences	(1)	(59)	(22)	(582)	(330)	(11)	(1 004)
As at 31 December 2023	**524**	**3 151**	**6 529**	**74 229**	**75 690**	**454**	**160 577**
Accumulated Amortisation and Impairment							
As at 1 January 2023	240	2 376	1 526	13 179	99	-	17 420
Charge for the year	24	239	607	6479	11	-	7 360
Disposal	-	(75)	-	(35)	-	-	(110)
Net exchange differences	-	(84)	(34)	107	(1)	-	56
As at 31 December 2023	**264**	**2 456**	**2 167**	**19 730**	**109**	**-**	**24 726**
Net book value							
As at 1 January 2023	**285**	**536**	**4988**	**59 047**	**70 579**	**671**	**136 106**
As at 31 December 2023	**260**	**695**	**4362**	**54 499**	**75 581**	**454**	**135 851**

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Goodwill impairment testing

For the purpose of annual impairment testing, goodwill is compared to its recoverable amount. The Group has determined that a cash generating unit is created upon every acquisition.

	2023 £'000
Direct Healthcare Group UK	42 485
Talley Group Limited	11 105
Handicare entities	9 842
	63 432

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

Direct Healthcare Group UK

The recoverable amount of Direct Healthcare Group UK as a cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a three-year period and a post-tax discount rate of 9.37% per cent per annum calculated by WACC.

The key assumptions used by management in setting the financial budgets for the initial three-year period were as follows:

Forecast sales growth rates

Forecast sales growth rates are based on past experience adjusted for inflationary price increases and cross selling products from the new acquisitions in FY23.

Operating profits

Operating profits are forecast based on historical experience of operating margins, adjusted for inflation.

Cash conversion

Cash conversion is the ratio of operating cash flow to operating profit. Management forecasts cash conversion rates based on historical experience. Cash flows beyond that three-year period have been extrapolated using a steady 3 per cent per annum growth rate.

Talley Group Limited

The recoverable amount of Talley Group Limited as a cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a three-year period and a post-tax discount rate of 10.76% per cent per annum calculated by WACC.

The key assumptions used by management in setting the financial budgets for the initial three-year period were as follows:

Forecast sales growth rates

Forecast sales growth rates are based on past experience adjusted for inflationary price increases and cross selling products from the new acquisitions in FY23.

Operating profits

Operating profits are forecast based on historical experience of operating margins, adjusted for inflation.

Cash conversion

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Cash conversion is the ratio of operating cash flow to operating profit. Management forecasts cash conversion rates based on historical experience. Cash flows beyond that three-year period have been extrapolated using a steady 3 per cent per annum growth rate.

Handicare entities

The recoverable amount of Handicare entities as a cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a three-year period and a post-tax discount rate of 8.42% per cent per annum calculated by WACC.

The key assumptions used by management in setting the financial budgets for the initial three-year period were as follows:

Forecast sales growth rates

Forecast sales growth rates are based on past experience adjusted for inflationary price increases and cross selling products from the new acquisitions in FY23.

Operating profits

Operating profits are forecast based on historical experience of operating margins, adjusted for inflation.

Cash conversion

Cash conversion is the ratio of operating cash flow to operating profit. Management forecasts cash conversion rates based on historical experience. Cash flows beyond that three-year period have been extrapolated using a steady 3 per cent per annum growth rate.

The remaining cash generating units are deemed immaterial for this disclosure.

The calculations for each cash generating unit result in significant headroom between the value in use and carrying value of the assets in question. This indicates no impairment is deemed necessary.

The directors believe that any reasonably possible change in key assumptions, namely discount rate and growth rate, upon which the recoverable amount is based would not cause the aggregate carrying value of each cash generating unit to exceed the aggregate recoverable amount of each cash generating unit.

Intangibles other than goodwill
Development expenditure is internally generated and relates to the development of specialist medical equipment. Amortisation will commence once the development is complete over its expected useful economic life of 6 years. All other intangibles and goodwill are separately acquired. Research and development costs of £280k (£395k in 2022) were recognized as other expenses.

Amortisation of intangible assets is included within the intangibles amortization expense in the consolidated statement of comprehensive income.

13. Inventories

Inventories consist of the following:

	2023 £'000	2022 £'000
Raw materials and consumables	5 357	7 232
Work in progress	42	145
Finished goods	8 317	7 469
	13 716	**14 846**

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During the period, inventories of £36 206k (2022: £33 519k) was recognised as an expense during the year and included in cost of sales.

In addition, inventories have been reduced by £258k (2022: £651k) as a result of the write-down to net realizable value. This write down was recognised as an expense during the year.

14. Trade and other receivables

The detail of trade and other receivables of the Group for the year ended 31 December is as follows:

	2023	2022
	£'000	£'000
Trade receivables	13 960	15 401
Other receivables	700	495
Prepayments	2 036	1 633
	16 696	**17 529**

	2023	2022
	£'000	£'000
Trade receivables	14 288	15 510
Allowance for credit losses	(328)	(109)
	13 960	**15 401**

All amounts are short-term and generally due for payment in 30 days. The net carrying value of the trade receivables approximate its fair value.

15. Capital commitments

Capital commitments which were authorised and contracted for at the year-end were £119k (2022:£331k).

16. Deferred tax

No deferred tax assets have been recognised during the year.

The following deferred taxes exists:

	Temporary differences	Intangible assets	Total
	£'000	£'000	£'000
As at 31 December 2022	467	(13 009)	(12 542)
Deferred tax recognised on acquisition	-	(926)	(926)
(Charge)/credit to income	-	1 370	1 370
As at 31 December 2023	467	(12 565)	(12 098)

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17. Current trade and other payables

The detail of trade and other payables of the Group for the year ended 31 December 2023 and 31 December 2022 is as follows:

	2023	2022
	£'000	£'000
Trade payables	5 307	6 179
Other taxation and social security	4 349	3 074
Other creditors	332	84
Accruals and deferred income	3 432	5 021
Deferred/Contingent consideration	3 557	594
	16 977	14 952

18. Third-party borrowings

Third-party borrowings
The detail of third-party borrowings of the Group for the year ended 31 December 2023 and 31 December 2022 is as follows:

	2023	2022
	£'000	£'000
Interest-bearing borrowings	90 922	86 496

On 20 June 2020, the Group entered into a credit facility with Muzinich Pan-European Private Debt Luxco S.à r.l. and Muzinich Firstlight Middle Market Luxco S.à r.l and drew down £42 098k. On 27 October 2020, the Group drew down on£6,352k as part of the acquisition of the Carital Group. On 16 March 2022, the Group drew down on £20,716k as part of the acquisition of both Talley Group and the United Care Group. On 5 July 2022, the Group drew down on a further £19,061k as part of the asset purchase of the Raizer product line.

A floating charge remains granted over all the assets within the Group. The interest rate charge is a variable rate, depending on the level of gearing, at a rate above Euribor/Sonia. For the year ended 31 December 2023, this amounted to 12.04% (2022: 7.29%). This is repayable in full by 8 June 2026. Included in the Third-party borrowings balance is a capitalised loan arrangement fee of £1,435k (FY22: £2,031k) which is being amortised over the period of the facility.

On 29 June 2023, an interest payment in kind (PIK) arrangement was agreed with lenders on the £90,922k loan facility for 6 months during which the Group have the option to reduce the cash interest payments to SONIA plus a Credit Adjustment Spread with the remaining 4 % plus 1% margin settled via PIK.

19. Loans and borrowings

The detail of loans and borrowings of the Group for the year ended 31 December 2023 is as follows:

	2023	2022
	£'000	£'000
Non-current liabilities		
Loan notes	3 986	3 986
Interest on loan notes	1 767	1 244
Preferred corporate units	78 510	75 937

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Accrued interests on preferred corporate units	33 890	18 990
	118 153	**100 157**

Preferred corporate units

Preferred corporate units are redeemable 10 years after issuance are classified as financial liabilities and are presented in Borrowings in line with IAS 32 and IFRS 9. The 10% and 12% cumulative dividends on these preferred corporate units are recognised as interest expense within finance costs, for disclosure refer to Note 4.

The movement of the year of the preferred corporate units is as follows:

	2023	2022
Preferred corporate units	**£'000**	**£'000**
Balance at the beginning of the period	94 927	71 168
Additions	7,776	15 790
Accumulated interest	9 697	7 969
Balance at the end of the period	**112 400**	**94 927**

Loan note

As at December 31, 2023 and 2022, non-current loans and borrowings are also in relation with loan notes of the Company from its shareholders:

Amount subscribed by the Company as at 31 December 2023 £'000	Redemption date Interest rate	Interest rate (fixed)	Interest payment Date	Accrued interests as at December 31, 2023 £'000
3 986	06-12-2029	10%	31-Dec	1 767

Amount subscribed by the Company as at 31 December 2022 £'000	Redemption date Interest rate	Interest rate (fixed)	Interest payment Date	Accrued interests as at December 31, 2022 £'000
3 986	06-12-2029	10%	31-Dec	1 244

The carrying value of loans and borrowings classified as financial liabilities measured at amortised cost approximates fair value.

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20. Share capital

As at 31 December 2023, the subscribed and issued share capital of the Company is as follows:

	31-12-2023		31-12-2022	
	Ordinary Corporate Units		Ordinary Corporate Units	
	Class A	Class B	Class A	Class B
Number of shares	**156 493 207**	**15 840 666**	**156 493 207**	**15 840 666**
Nominal value/Par value of shares	0,01	0,01	0,01	0,01
Share capital issued (£'000)	**1 565**	**158**	**1 565**	**158**

	2023	2022
Shares issued and fully paid:	£'000	£'000
Beginning of the year	1 519	1 519
Shares issue	204	204
Shares issued and fully paid	**1 723**	**1 723**

The Company was incorporated on December 4, 2019 and on that date issued 30 000 ordinary shares at par value of £1.00 to the shareholders. On December 6, 2019, the shareholders resolved to decrease the nominal value of the existing shares of the company from £1 to £0.01, and to convert the then existing 30,000 ordinary shares into 3,000,000 ordinary shares.

On December 27, 2019, a further 94 000 000 share were issued at par value.

On 3 June 2020, a further 22 605 440 shares were issued to the shareholders for a consideration of £330k thereby generating a share premium of £104k. On 20 July 2020, an additional 5 219 022 shares were issued.at par value.

On November 11, 2020, a further 3 173 511 shares were issued to the shareholders at par value.

On March 31, 2022 the Company decided to issue 23 877 241 A shares to the shareholders at par value with a share premium.

On January 26, 2022, the Company issued 16 930 161 A shares to the shareholders at par value.

On April 19, 2022 the Company issued a further 407 602 A shares to the shareholders at par value.
On July 6, 2022, the Company issued 3 120 898 A shares to the shareholders at par value.

The Investment Agreement states that each A ordinary shareholder has the right to attend, speak and vote at general meetings of the Company.

The Investment Agreement states that each B ordinary shareholder has the right to attend general meetings of the Company but shall each waive their voting rights for an indefinite period of time.

The authorized capital of the Company is set at £78 309 534 consisting of 7 830 953 421 corporate units of any class with a nominal value of GBP 0.01 each.

Per the articles, the balance of net profit may be distributed to the shareholders subject to Clause 12 of the Investment Agreement.

21. Share premium

Share premium represents the excess of contributions received over the nominal value of shares issued. As of December 31, 2023, the share premium amounts to £2 187k (2022: £2 187k).

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22. Financial instruments

Capital management

The Group manages its capital structure, consisting of the relation between equity/debt mix in accordance with best market practices, as follows:

	December 31 2023	December 31, 2022
Loans and financing	90 922	86 496
Cash transactions	(10 170)	(7 548)
Net debt	80 752	78 948
Shareholders' equity	64 674	67 727
Net debt on shareholders' equity plus net debt	56%	53%

The Group's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy of organic growth to provide returns to its shareholders. The Group defines the capital it manages as the aggregate of its equity, which comprises share capital, contributed surplus, deficit, accumulated other comprehensive income and preference shares (including senior preference shares).

The Group is bound to be compliant with the financial ratio covenant imposed by a third-party lender, where a maximum ratio for Net debt/Adjusted EBITDA is set quarterly in accordance with the credit facility agreement it entered into (note 18). Management accordingly manages the level of its external debt relative to the total capital structure for purposes of complying with the set covenant.

Categories of financial instruments

	2023	2022
	£'000	£'000
Financial assets at amortised cost:		
Trade and other receivables (excluding prepayments)	14 660	15 896
Cash and cash equivalents	10 170	7 548
	24 830	**23 444**
Financial liabilities at amortised cost:		
Trade payables	5 307	6 179
Loans and borrowings	118 153	100 157
Third-party borrowings and accrued interest	90 922	86 496
Other payables/contingent consideration	3 889	678
Lease liabilities	9 713	8 855
	227 984	**202 365**

The carrying amounts of accounts receivable, accounts payable and certain accrued liabilities, all of which are financial instruments, are considered to approximate the fair value of these items due to the short-term nature of the amounts involved.

Financial risk management objectives

The Group's Finance function is responsible for all aspects of corporate treasury. It co-ordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through internal reports which analyse exposures by degree and magnitude. The risks reviewed include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

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Market risk

Market risk is the risk changes in market prices, such as fluctuations in foreign exchange rates and interest rates, affect the Group's earnings or the value of its financial instruments. The Group's financial instruments do include senior debt which is based on SONIA/EURIBOR plus a margin depending on the level of gearing, as such subject to market risk which management continually monitor.

The sensitivity analyses below have been determined based on the exposure to interest rates on the third party borrowings at the reporting date.

If interest rates had been 2 per cent higher and all other variables were held constant, the Group's pre-tax profit for the year ended 31 December 2023 would decrease by £600k.

If interest rates had been 5 per cent higher and all other variables were held constant, the Group's pre-tax profit for the year ended 31 December 2023 would decrease by £1,534k.

The Group's sensitivity to interest rates is continuously monitored by the Group's Finance function. The Group have engaged with an interest rate cap, and this has been included within the interest rate sensitivities above.

Concentration risk

The Group's financial instruments are exposed to certain risks and concentrations. The concentration of credit risk on accounts receivable relates to a small number of large customer balances owing at any time. As at December 31, 2023 no one customer represented approximately at least 4% of the total accounts receivable.

Foreign exchange risk

The Group is exposed to the following currency risk on its net investment in self-sustaining operations as at December 31, 2023 and 2022:

Net assets held in foreign currencies	2023 £'000	2022 £'000
Receivables in EUR	3 578	2 542
Payables in EUR	(35 720)	(34 470)
Receivables in SEK	2 673	2 938
Payables in SEK	(6 105)	(3 023)
	(35 574)	**(32 013)**

Foreign currency sensitivity analysis

A five pence reduction in the foreign exchange translation rate of pounds sterling to the above currencies would impact other comprehensive income (on a pre-tax basis) by an immaterial amount, less than £1,380k (2022: £1,667k). Management continually monitor the foreign currency exposure.

Credit risk management

Credit risk represents the financial loss the Group would experience if a counter-party to a financial instrument, in which the Group has an amount owing from the counterparty, failed to meet its obligations in accordance with the terms and conditions of its contracts with the Group.

The Group's credit risk is primarily attributable to its accounts receivable as cash balances are deposited with reputable financial institutions. The Group performs ongoing credit evaluations of new and existing customers' financial condition and reviews the collectability of accounts receivable in order to mitigate any possible credit losses. The accounts receivable amounts disclosed in the financial statements are net of allowances for doubtful accounts, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

Liquidity risk management

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Liquidity risk is the risk the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risk through the management of its capital structure as outlined above. All accounts payable and certain accrued liabilities, which are financial instruments, are due in 2023 and the required contractual cash flows approximate the carrying amount of these financial liabilities.

The following are the contractual maturities of financial liabilities, including estimated interest payments as at 31 December 2023. The amounts are gross and undiscounted:

£'000	Less than 1 year	From 1 to 5 years	Over 5 years	TOTAL
Trade and other payables	16 674	303	-	16 977
Third-party borrowings	-	90 922	-	90 922
Loans and borrowings	-	-	118 153	118 153
Lease liabilities	2 703	7 010	-	9 713
Total	**19 377**	**98 235**	118 153	**235 765**

The following are the contractual maturities of financial liabilities, including estimated interest payments as at 31 December 2022. The amounts are gross and undiscounted:

£'000	Less than 1 year	From 1 to 5 years	Over 5 years	TOTAL
Trade and other payables	14 953	-	-	14 953
Third-party borrowings	-	86 496	-	86 496
Loans and borrowings	-	-	100 157	100 157
Lease liabilities	2 003	6 851	-	8 855
Total	**16 956**	**93 347**	100 157	**210 461**

23. Business combination

Acquisition of Benmor Group

On September 29, 2023, the Group acquired Benmor Group with operations in the UK. This acquisition is intended to deepen the Group's existing presence in the UK and strengthening DHG's Bariatric Rental and Service Operations.

Recognised amounts of identifiable assets acquired and liabilities assumed:

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	Book value £'000	Fair value adjustment £'000	Fair value £'000
Tangible fixed assets	642	-	**642**
Intangible assets	-	2 081	**2 081**
	642	**2 081**	**2 723**
Financial assets			
Inventory	374	-	**374**
Receivables	1 200	-	**1 200**
Cash	205	-	**205**
Total assets	2 421	2 081	**4 502**
Financial liabilities			
Payables	(631)	-	**(631)**
Corporation tax	(168)	-	**(168)**
VAT and Other Payroll taxes	(383)	-	**(383)**
Finance leases	(44)	-	**(44)**
Total liabilities	(1 226)	-	**(1 226)**
Other non-financial liabilities			
Deferred tax on intangible assets	-	(520)	**(520)**
Fair value of net assets acquired	1 195	1 561	**2 756**
Goodwill			4 030
Fair value of cash consideration transferred			**6 786**

The components of goodwill are considered to relate to assembled workforce and manufacturing know-how.

The initial accounting for the business combination of Benmor Group has only been provisionally determined at the end of the reporting period. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised and they have therefore only been provisionally determined based on the directors' best estimate.

As at December 31, 2023 £1 130k was recognised on the balance sheet as deferred consideration. This was paid in March 2024.

The Benmor Group contributed £878k of revenue to the Group's result for the period between the date of acquisition and the reporting date.

If the acquisition of the Benmor Group had been completed on the first day of the financial year, Group revenues for the year would have been £4,238k.

Acquisition of the Medicauce Soluciones Sanitarias S.L

On December 27, 2023, the Group acquired Medicauce Soluciones Sanitarias S.L. This purchase is intended to geographically expand the Groups existing position as a leading provider of services in the patient handling sector.

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	Book value £'000	Fair value adjustment £'000	Fair value £'000
Tangible fixed assets	195	-	195
Intangible assets	-	802	802
	195	802	997
Financial assets			
Inventory	178	-	178
Receivables	456	-	456
Cash	590	-	590
Total assets	1 419	802	2 221
Financial liabilities			
Payables and other debts	(495)	-	(495)
Corporation tax	(81)	-	(81)
VAT and Other Payroll taxes	(124)	-	(124)
Finance leases	(164)	-	(164)
Total liabilities	(864)	-	(864)
Other non-financial liabilities			
Deferred tax on intangible assets	-	(200)	(200)
Fair value of net assets acquired	555	602	1 157
Goodwill			1 536
Fair value of cash consideration transferred			2 693

The components of goodwill are considered to relate to arbitrage and manufacturing know-how.

The initial accounting for the business combination of Medicauce Soluciones Sanitarias S.L has only been provisionally determined at the end of the reporting period. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised and they have therefore only been provisionally determined based on the directors' best estimate.

As at December 31, 2023 £2 124k was recognised on the balance sheet as deferred consideration. This was paid in January 2024.

Medicauce Soluciones Sanitarias S.L contributed £0k of revenue to the Group's result for the period between the date of acquisition and the reporting date.

If the acquisition of Medicauce Soluciones Sanitarias S.L had been completed on the first day of the financial year, Group revenues for the year would have been £2 497k.

Acquisition of the Raizer business

At the date of finalisation of these consolidated financial statements in the prior year (31 December 2022), the necessary market valuations and other calculations had not been finalised and they have therefore had only been provisionally determined based on the directors' best estimate.

It was concluded upon finalisation that the initial valuation was not materially different. In the current reporting period, there is an additional charge of £52k amortization.

24. Related party transactions

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A. Parent entities

The immediate holding company of DHG Holdco S.à r.l. is MPI DHG Investment S.à r.l, a company incorporated in Luxembourg. The ultimate controlling parties are Denis Ribon and Vincent Guillaumot who own and control ArchiMed SAS, an Alternative Investment Fund Manager (AIFM), under the Surveillance of AMF (Autorité des Marchés Financiers), managing Investment Funds where no natural person holds a direct or indirect stake equal or superior to 25% of the funds' share capital and/or votes.

B. Subsidiaries

Interests in subsidiaries are set out in note 2.

C. Key management personal compensation

	2023	2022
	£'000	£'000
Directors' emoluments	2 937	2 591
Pension	174	165
	3 112	2 756

No other advances, credits or guarantees have been entered into with any of the Directors of the Group.

Balances and transactions between the parent company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

D. Transaction with other related parties

The following transactions occurred with related parties:

Transaction with other related parties

	2023	2022
	£'000	£'000
Finance costs	(9 697)	(7 970)
	(9 697)	(7 970)

E. Outstanding balances arising from sales/purchases of goods and services

No outstanding balances with related parties arising from sale/purchases of goods exists at the end of the reporting period.

F. Loans to/from related parties

Loans to/from related parties

	2023	2022
	£'000	£'000
Loans from parent entity	(118 153)	(100 157)
	(118 153)	(100 157)

25. Subsequent events

Impact of Pillar Two regulations

On 20 December 2023, the Luxembourg Parliament adopted the bill of law relating to the European Directive on global minimum taxation rules ("Pillar Two") based on OECD recommendations. The impact of this tax regulation will apply in the fiscal years after December 31, 2023. The Group is still analysing the impact of this new regulations and expect to finalize its assessment during the second quarter 2024.