



CareCom A/S

Kildegårdsvej 20
2900 Hellerup
CVR No. 24242005

Annual report 2020

The Annual General Meeting adopted the
annual report on 08.03.2021

Jacob Boye Hansen
Conductor

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Entity details

Entity

CareCom A/S
Kildegårdsvej 20
2900 Hellerup

CVR No.: 24242005
Registered office: Gentofte
Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Claus Flinck, Chairman
Flemming Jack Claus Hansen, Vice Chairman
Jacob Boye Hansen

Executive Board

Jacob Boye Hansen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of CareCom A/S for the financial year 01.01.2020 - 31.12.2020.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Hellerup, 08.03.2021

Executive Board

Jacob Boye Hansen
CEO

Board of Directors

Claus Flinck
Chairman

Flemming Jack Claus Hansen
Vice Chairman

Jacob Boye Hansen

Independent auditor's extended review report

To the shareholders of CareCom A/S

Conclusion

We have performed an extended review of the financial statements of CareCom A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity'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 Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

København, 08.03.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen

State Authorised Public Accountant
Identification No (MNE) mne33712

Management commentary

Financial highlights

	2020 DKK'000	2019 DKK'000	-1 N/A DKK'000	-1 N/A DKK'000	-1 N/A DKK'000
Key figures					
Gross profit/loss	12,809	15,641	9,964	8,504	7,243
Operating profit/loss	5,067	7,922	2,926	1,922	1,527
Net financials	47	521	17	(404)	199
Profit/loss for the year	4,891	6,665	1,819	356	645
Total assets	15,174	21,670	17,310	14,236	13,103
Investments in property, plant and equipment	49	236	412	15	185
Equity	9,431	14,540	9,675	7,858	7,499
Investment in development projects	0	0	0	0	1,250
EBITDA Group level	6,664	8,806	4,443	3,023	2,661
Ratios					
Equity ratio (%)	62.15	67.10	55.89	55.20	57.23

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

Equity ratio (%):

$\frac{\text{Equity}}{\text{Total assets}} * 100$

Total assets

Primary activities

The Company's activity consists of development, marketing and sale of software within Healthcare.

Development in activities and finances

Profit for the year amounts to DKK 4,891 thousand, which management considers satisfactory taking the world wide COVID 19 situation in mind. Equity amounts to DKK 9,431 thousand with an equity ratio of 62.2 %.

Without affecting the high investment rate, an EBITDA of DKK 5,761 thousand has been realised, and in group level an EBITDA of 6,664 thousand has been realised, which is very satisfactory. Now, we have staffed the sales department with further employees in US, UAE and in Sweden.

The subsidiary, CareCom US inc. , is now profitable and we will staffing further to increase the growth.

Product development

We have continued to enhance and to strengthen the core part of our main product, HealthTerm. For 2020, this included an upgrade of the standards that HealthTerm is built on to the newest (HL7 FHIR) and adaption of HealthTerm to new customers.

New products

A new set of products to supplement HealthTerm was initiated the last years, and this is continued in 2020. This included CareTerms, which is an interface terminology (a large set of synonyms for the international code systems).

Sales

In 2020 we continued to focus on sales worldwide, and specially in US. The sales in US has increased around 70 %. This significant increase in new contracts is expected to continue the coming years.

Also in Europe primarily, Scandinavia and in UAE have we subscribed new contracts. Our sales staff has been strengthened also in these areas.

Expectations for 2021

For 2021 Management expects increasing revenue, increasing investments in US market and an increasing profit compared to 2020. A positive development in revenue and profits is expected to be realized on all markets. Also, this development is expected to continue the coming years.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		12,809,065	15,641,059
Staff costs	1	(7,048,405)	(6,918,011)
Depreciation, amortisation and impairment losses		(693,684)	(801,171)
Operating profit/loss		5,066,976	7,921,877
Income from investments in group enterprises		902,637	82,674
Other financial income	2	108,003	561,066
Other financial expenses	3	(60,925)	(39,627)
Profit/loss before tax		6,016,691	8,525,990
Tax on profit/loss for the year	4	(1,125,201)	(1,861,385)
Profit/loss for the year		4,891,490	6,664,605
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		8,000,000	10,000,000
Retained earnings		(3,108,510)	(3,335,395)
Proposed distribution of profit and loss		4,891,490	6,664,605

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Completed development projects	6	2,057,910	2,654,757
Intangible assets	5	2,057,910	2,654,757
Other fixtures and fittings, tools and equipment		210,173	258,088
Property, plant and equipment	7	210,173	258,088
Investments in group enterprises		1,315,803	0
Other receivables		390,000	220,500
Financial assets	8	1,705,803	220,500
Fixed assets		3,973,886	3,133,345
Trade receivables		856,265	1,270,752
Receivables from group enterprises	9	7,122,562	14,605,591
Other receivables		290,771	138,286
Prepayments		25,700	12,247
Receivables		8,295,298	16,026,876
Cash		2,904,489	2,510,217
Current assets		11,199,787	18,537,093
Assets		15,173,673	21,670,438

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		500,000	500,000
Reserve for development expenditure		585,000	682,500
Retained earnings		346,124	3,357,134
Proposed dividend		8,000,000	10,000,000
Equity		9,431,124	14,539,634
Deferred tax	10	431,913	562,169
Provisions		431,913	562,169
Other payables		432,474	204,673
Non-current liabilities other than provisions	11	432,474	204,673
Trade payables		56,794	125,853
Payables to group enterprises		0	129,037
Payables to shareholders and management		2,115	54,058
Joint taxation contribution payable		1,255,457	2,011,423
Other payables		707,640	381,854
Deferred income		2,856,156	3,661,737
Current liabilities other than provisions		4,878,162	6,363,962
Liabilities other than provisions		5,310,636	6,568,635
Equity and liabilities		15,173,673	21,670,438
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		

Statement of changes in equity for 2020

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	682,500	3,357,134	10,000,000	14,539,634
Ordinary dividend paid	0	0	0	(10,000,000)	(10,000,000)
Dissolution of reserves	0	(97,500)	97,500	0	0
Profit/loss for the year	0	0	(3,108,510)	8,000,000	4,891,490
Equity end of year	500,000	585,000	346,124	8,000,000	9,431,124

Notes

1 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	6,271,453	6,228,707
Pension costs	475,134	331,085
Other social security costs	82,703	82,967
Other staff costs	219,115	275,252
	7,048,405	6,918,011
Average number of full-time employees	11	11

2 Other financial income

	2020	2019
	DKK	DKK
Financial income from group enterprises	99,650	520,615
Exchange rate adjustments	8,353	40,451
	108,003	561,066

3 Other financial expenses

	2020	2019
	DKK	DKK
Financial expenses from group enterprises	0	36,563
Other interest expenses	23,477	3,064
Exchange rate adjustments	37,448	0
	60,925	39,627

4 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	1,255,457	2,011,423
Change in deferred tax	(130,256)	(150,038)
	1,125,201	1,861,385

5 Intangible assets

	Completed development projects DKK
Cost beginning of year	19,035,738
Cost end of year	19,035,738
Amortisation and impairment losses beginning of year	(16,380,981)
Amortisation for the year	(596,847)
Amortisation and impairment losses end of year	(16,977,828)
Carrying amount end of year	2,057,910

6 Development projects

No new development projects have been initiated during the financial year. During the year, HealthTerm has been maintained and adapted to new customers.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	481,600
Additions	48,922
Cost end of year	530,522
Depreciation and impairment losses beginning of year	(223,512)
Depreciation for the year	(96,837)
Depreciation and impairment losses end of year	(320,349)
Carrying amount end of year	210,173

8 Financial assets

	Investments in group enterprises DKK	Other receivables DKK
Cost beginning of year	1,805,537	220,500
Additions	1,727,524	390,000
Disposals	0	(220,500)
Cost end of year	3,533,061	390,000
Impairment losses beginning of year	(1,805,537)	0
Exchange rate adjustments	142,684	0
Share of profit/loss for the year	902,637	0
Investments with negative equity value depreciated over receivables	(1,457,042)	0
Impairment losses end of year	(2,217,258)	0
Carrying amount end of year	1,315,803	390,000

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
CareCom US Inc.	Delaware, USA	Inc.	100

9 Receivables from group enterprises

A third of the receivables from group enterprises is expected to be received after more than one year.

10 Deferred tax

	2020 DKK	2019 DKK
Intangible assets	452,740	584,047
Property, plant and equipment	(20,827)	(21,878)
Deferred tax	431,913	562,169

11 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK
Other payables	432,474
	432,474

12 Unrecognised rental and lease commitments

	2020	2019
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	1,950,000	2,730,000

13 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where SPIP Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and transactions in foreign currencies.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.