



## CareCom A/S

Kildegårdsvej 20, 2900 Hellerup  
CVR No. 24242005

## Annual report 2019

The Annual General Meeting adopted the  
annual report on 02.03.2020

---

**Jacob Boye Hansen**  
Conductor

# Contents

Entity details	2
Statement by Management	3
Independent auditor's extended review report	4
Management commentary	6
Income statement for 2019	8
Balance sheet at 31.12.2019	9
Statement of changes in equity for 2019	11
Notes	12
Accounting policies	16

# Entity details

## Entity

CareCom A/S  
Kildegårdsvej 20  
2900 Hellerup

CVR No.: 24242005  
Registered office: Gentofte  
Financial year: 01.01.2019 - 31.12.2019

## 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  
P. O. Box 1600  
0900 Copenhagen C

# 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 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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, 02.03.2020

## 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 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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, 02.03.2020

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Claus Jorch Andersen**

State Authorised Public Accountant  
Identification No (MNE) mne33712

# Management commentary

## Financial highlights

	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000
<b>Key figures</b>					
Gross profit/loss	15,641	9,964	8,504	7,243	6,384
Operating profit/loss	7,922	2,926	1,922	1,527	1,388
Net financials	521	17	(404)	199	(124)
Profit/loss for the year	6,665	1,819	356	645	977
Total assets	21,670	17,084	14,272	13,110	11,653
Investments in property, plant and equipment	236	412	15	185	260
Equity	14,540	9,675	7,858	7,499	6,855
Investment in development projects	0	0	0	1,250	855
<b>Ratios</b>					
Equity ratio (%)	67.10	56.63	55.06	57.20	58.83

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

### Equity ratio (%):

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

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 6,665 thousand, which Management considers satisfactory. Equity amounts to DKK 14,540 thousand with an equity ratio of 67,1%.

Without affecting the high investment rate, an EBITDA of DKK 8.723 thousand has been realised, which is very satisfactory. However, a lot of investments are to be made on the US and the UAE market.

The US subsidiary is now profitable and we are staffing up to increase the growth. It is expected that the subsidiary will contribute positively to the Group's earnings the coming years.

As well due to the strong growth, the Danish parent company has hired more employees, and has moved to new, historic premises with room for further growth.

### Product development

We have continued to enhance and to strengthen the core part of our main product, HealthTerm. For 2019, this included an upgrade of the frameworks that HealthTerm is built on to the newest versions and an adaption of HealthTerm to new customers.

### New products

A new set of products to supplement HealthTerm was initiated in 2018 and continued in 2019. This included CareTerms which is an interface terminology (a large set of synonyms for the international code systems).

### Sales

In 2019, we continued to focus on our pipeline build up in the US. In our experience, these types of sales take between 6 to 18 months in the healthcare sector. We expect to see the benefits from this build-up in 2020 and onwards. Our US subsidiary has in 2019 subscribed for new contracts and several are expected this year. In Europe, we have also signed several contracts, primarily in Scandinavia and UAE.

### Expectations for 2020

For 2020, Management expects increasing revenue, increasing investments in all US markets and an increasing profit compared to 2019. A positive development in revenue and profits is expected to be realized on all markets. Also, this development is expected to continue in 2021.

### 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 2019

	Notes	2019 DKK	2018 DKK
<b>Gross profit/loss</b>		<b>15,641,059</b>	<b>9,964,274</b>
Staff costs	1	(6,918,011)	(5,048,081)
Depreciation, amortisation and impairment losses		(801,171)	(1,989,704)
<b>Operating profit/loss</b>		<b>7,921,877</b>	<b>2,926,489</b>
Income from investments in group enterprises		82,674	(473,631)
Other financial income	2	561,066	265,246
Other financial expenses	3	(39,627)	(248,717)
<b>Profit/loss before tax</b>		<b>8,525,990</b>	<b>2,469,387</b>
Tax on profit/loss for the year	4	(1,861,385)	(650,516)
<b>Profit/loss for the year</b>		<b>6,664,605</b>	<b>1,818,871</b>
<b>Proposed distribution of profit and loss</b>			
Ordinary dividend for the financial year		10,000,000	1,800,000
Retained earnings		(3,335,395)	18,871
<b>Proposed distribution of profit and loss</b>		<b>6,664,605</b>	<b>1,818,871</b>

# Balance sheet at 31.12.2019

## Assets

	Notes	2019 DKK	2018 DKK
Completed development projects	6	2,654,757	3,389,459
<b>Intangible assets</b>	5	<b>2,654,757</b>	<b>3,389,459</b>
Other fixtures and fittings, tools and equipment		258,088	88,722
<b>Property, plant and equipment</b>	7	<b>258,088</b>	<b>88,722</b>
Investments in group enterprises		0	0
Other receivables		220,500	222,900
<b>Other financial assets</b>	8	<b>220,500</b>	<b>222,900</b>
<b>Fixed assets</b>		<b>3,133,345</b>	<b>3,701,081</b>
Trade receivables		1,270,752	736,260
Receivables from group enterprises	9	14,605,591	5,715,878
Other receivables		138,286	69,856
Prepayments		12,247	8,574
<b>Receivables</b>		<b>16,026,876</b>	<b>6,530,568</b>
<b>Cash</b>		<b>2,510,217</b>	<b>6,852,843</b>
<b>Current assets</b>		<b>18,537,093</b>	<b>13,383,411</b>
<b>Assets</b>		<b>21,670,438</b>	<b>17,084,492</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2019 DKK</b>	<b>2018 DKK</b>
Contributed capital		500,000	500,000
Reserve for development expenditure		682,500	780,000
Retained earnings		3,357,135	6,595,030
Proposed dividend		10,000,000	1,800,000
<b>Equity</b>		<b>14,539,635</b>	<b>9,675,030</b>
Deferred tax	10	562,169	712,207
<b>Provisions</b>		<b>562,169</b>	<b>712,207</b>
Other payables		204,673	0
<b>Non-current liabilities other than provisions</b>	11	<b>204,673</b>	<b>0</b>
Prepayments received from customers		0	22,818
Trade payables		125,853	105,017
Payables to group enterprises		129,037	1,592,474
Payables to shareholders and management		54,057	27,882
Joint taxation contribution payable		2,011,423	1,070,586
Other payables		381,854	346,698
Deferred income		3,661,737	3,531,780
<b>Current liabilities other than provisions</b>		<b>6,363,961</b>	<b>6,697,255</b>
<b>Liabilities other than provisions</b>		<b>6,568,634</b>	<b>6,697,255</b>
<b>Equity and liabilities</b>		<b>21,670,438</b>	<b>17,084,492</b>
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		

# Statement of changes in equity for 2019

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	780,000	6,595,030	1,800,000	9,675,030
Ordinary dividend paid	0	0	0	(1,800,000)	(1,800,000)
Dissolution of reserves	0	(97,500)	97,500	0	0
Profit/loss for the year	0	0	(3,335,395)	10,000,000	6,664,605
<b>Equity end of year</b>	<b>500,000</b>	<b>682,500</b>	<b>3,357,135</b>	<b>10,000,000</b>	<b>14,539,635</b>

# Notes

## 1 Staff costs

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	6,228,707	4,496,575
Pension costs	331,085	270,236
Other social security costs	82,967	60,321
Other staff costs	275,252	220,949
	<b>6,918,011</b>	<b>5,048,081</b>
Average number of full-time employees	<b>11</b>	<b>9</b>

## 2 Other financial income

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Financial income from group enterprises	520,615	265,246
Exchange rate adjustments	40,451	0
	<b>561,066</b>	<b>265,246</b>

## 3 Other financial expenses

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Financial expenses from group enterprises	36,563	76,835
Other interest expenses	3,064	2,141
Exchange rate adjustments	0	169,741
	<b>39,627</b>	<b>248,717</b>

## 4 Tax on profit/loss for the year

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	2,011,423	1,070,586
Change in deferred tax	(150,038)	(420,070)
	<b>1,861,385</b>	<b>650,516</b>

## 5 Intangible assets

	<b>Completed development projects DKK</b>
Cost beginning of year	19,035,738
<b>Cost end of year</b>	<b>19,035,738</b>
Amortisation and impairment losses beginning of year	(15,646,279)
Amortisation for the year	(734,702)
<b>Amortisation and impairment losses end of year</b>	<b>(16,380,981)</b>
<b>Carrying amount end of year</b>	<b>2,654,757</b>

## 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

	<b>Other fixtures and fittings, tools and equipment DKK</b>
Cost beginning of year	869,500
Additions	235,835
Disposals	(623,735)
<b>Cost end of year</b>	<b>481,600</b>
Depreciation and impairment losses beginning of year	(780,778)
Depreciation for the year	(49,559)
Reversal regarding disposals	606,825
<b>Depreciation and impairment losses end of year</b>	<b>(223,512)</b>
<b>Carrying amount end of year</b>	<b>258,088</b>

## 8 Financial assets

	Investments in group enterprises DKK	Other receivables DKK
Cost beginning of year	1,805,537	222,900
Disposals	0	(2,400)
<b>Cost end of year</b>	<b>1,805,537</b>	<b>220,500</b>
Revaluations beginning of year	(1,805,537)	0
Share of profit/loss for the year	131,509	0
Investments with negative equity value depreciated over receivables	(131,509)	0
<b>Revaluations end of year</b>	<b>(1,805,537)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>220,500</b>

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

	2019 DKK	2018 DKK
Intangible assets	584,047	745,681
Property, plant and equipment	(21,878)	(33,474)
<b>Deferred tax</b>	<b>562,169</b>	<b>712,207</b>

## 11 Non-current liabilities other than provisions

	Due after more than 12 months 2019 DKK
Other payables	204,673
	<b>204,673</b>

## 12 Unrecognised rental and lease commitments

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Liabilities under rental or lease agreements until maturity in total	<b>2,730,000</b>	<b>222,000</b>

## 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.

## 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
--	-----------

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.

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

**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.