

3Dintegrated ApS

**Titangade 11
2200 København N**

CVR no. 25 29 87 13

Annual report for 2019

Adopted at the annual general
meeting on 25 August 2020

Sarah A. Moore

Sarah A. Moore (Aug 25, 2020 07:06 PDT)

Sarah Alice Moore
chairman

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of 3Dintegrated ApS for the financial year 1 January - 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 25 August 2020

Executive Officer

Henriette Schultz Kirkegaard

Henriette Schultz Kirkegaard (Aug 25, 2020 16:05 GMT+2)

Henriette Schultz Kirkegaard

Board of Directors

Sarah A. Moore

Sarah A. Moore (Aug 25, 2020 07:06 PDT)

Sarah Alice Moore
chairman

Victor Carlos Moreno

Victor Carlos Moreno (Aug 25, 2020 10:05 EDT)

Victor Carlos Moreno

Eric LaMont Lenard

Eric LaMont Lenard (Aug 25, 2020 07:03 PDT)

Eric La Mont Lenard

Paul Glenn Ritchie

Paul Glenn Ritchie (Aug 25, 2020 10:04 EDT)

Paul Glenn Ritchie

Independent auditor's report

To the shareholder of 3Dintegrated ApS

Opinion

We have audited the financial statements of 3Dintegrated ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report

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

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

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.

Statement on management's review

Management is responsible for management's review.

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

Independent auditor's report

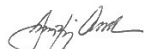
In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially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

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

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

Hellerup, 25 August 2020

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31



Jan Boje Andreassen
State Authorised Accountant
MNE no. 2338

Company details

The company

3Dintegrated ApS
Titangade 11
2200 København N

Telephone: 61 67 76 51

Website: www.3dintegrated.com

CVR no.: 25 29 87 13

Reporting period: 1 January - 31 December 2019

Domicile: Copenhagen

Board of Directors

Sarah Alice Moore, chairman
Eric La Mont Lenard
Paul Glenn Ritchie
Victor Carlos Moreno

Executive Officer

Henriette Schultz Kirkegaard

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Management's review

Business review

The company's purpose is to conduct development and trading activities and related business areas.

Financial review

The company's income statement for the year ended 31 December 2019 shows a profit of DKK 62.237, and the balance sheet at 31 December 2019 shows equity of DKK 11.031.233.

It is recognized among owners and investors of 3Dintegrated that the value of the company is correlated with reaching R&D milestones and advancing the technology into market ready products. As such, The Board of Directors will continuously monitor the financial stability of the company and take timely measures to secure that capital is supplied when needed to sustain the ongoing development activities and development milestones of 3Dintegrated.

Research and development activities in or for the company

3Dintegrated is developing a computer vision system for laparoscopic surgeries. The technology platform is primarily based on active sensors such as structured light to reconstruct an image in 3D and track surgical tools in real-time. The 3Dintegrated technology uses a unique combination of advanced optics, computer vision and deep learning to allow for a highly precise and robust system. 3Dintegrated's technology is highly relevant for several applications within computer-assisted surgery.

Targets and expectations for the year ahead

It is expected that software development activities will continue in 2020 in order to expand the portfolio of proprietary solutions for advancing computer-assisted and computer-driven applications within training, navigation and advanced visualization in minimal invasive surgery.

Significant events occurring after the end of the financial year.

As of the financial statement issuance date, the country, region and world are continuing to be impacted by the coronavirus (COVID-19). According to management, this outbreak is classified as non-corrective event after the reporting date. Although the situation is still evolving at the date of issue of these financial statements, there is no tangible impact on the Company's sales or supply chain to date, however, the impact of this situation on the Company in the future cannot be predicted. Management will continue to closely monitor the potential impact of these events and will take all possible measures to mitigate possible consequences. We refer to Note 10.

No other events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Gross profit		368.902	5.594.209
Staff costs	2	<u>-185.480</u>	<u>-303.285</u>
Profit/loss before amortisation/depreciation and impairment losses		183.422	5.290.924
Financial income		1.906	185.244
Financial costs	3	<u>-105.693</u>	<u>-58.526</u>
Profit/loss before tax		79.635	5.417.642
Tax on profit/loss for the year	4	<u>-17.398</u>	<u>-945.414</u>
Profit/loss for the year		<u>62.237</u>	<u>4.472.228</u>
Retained earnings		<u>62.237</u>	<u>4.472.228</u>
		<u>62.237</u>	<u>4.472.228</u>

Balance sheet 31 December

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Assets			
Development projects in progress		<u>22.464.197</u>	<u>15.999.884</u>
Intangible assets	5	<u>22.464.197</u>	<u>15.999.884</u>
Deposits		<u>19.600</u>	<u>60.567</u>
Fixed asset investments		<u>19.600</u>	<u>60.567</u>
Total non-current assets		<u>22.483.797</u>	<u>16.060.451</u>
Trade receivables		0	250
Receivables from group enterprises		1.675.000	0
Other receivables		283.324	107.210
Joint taxation reimbursement		1.150.947	0
Prepayments		<u>23.363</u>	<u>20.124</u>
Receivables		<u>3.132.634</u>	<u>127.584</u>
Cash at bank and in hand		<u>1.431.234</u>	<u>2.488.439</u>
Total current assets		<u>4.563.868</u>	<u>2.616.023</u>
Total assets		<u><u>27.047.665</u></u>	<u><u>18.676.474</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Equity and liabilities			
Share capital		127.131	125.985
Reserv for development expenditure		15.149.193	10.107.029
Retained earnings		-4.245.091	734.836
Equity	6	<u>11.031.233</u>	<u>10.967.850</u>
Provision for deferred tax	7	<u>3.151.345</u>	<u>1.983.000</u>
Total provisions		<u>3.151.345</u>	<u>1.983.000</u>
Banks		0	411.933
Trade payables		3.835	48.776
Payables to group enterprises		7.961.025	0
Corporation tax		234.231	525.414
Other payables		190.001	263.506
Deferred income		4.475.995	4.475.995
Total current liabilities		<u>12.865.087</u>	<u>5.725.624</u>
Total liabilities		<u>12.865.087</u>	<u>5.725.624</u>
Total equity and liabilities		<u>27.047.665</u>	<u>18.676.474</u>
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Notes

1 Accounting policies

The annual report of 3Dintegrated ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with application of provisions for a higher reporting class.

The accounting policies applied are consistent with those of last year.

Certain amounts have been reclassified in the comparative figures for 2018 to ensure the same presentation.

The annual report for 2019 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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

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

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Government grants

Government grants are recognised when there is reasonable certainty that the grant conditions have been met and that the grant will be received.

Grants to cover expenses incurred are recognised on a proportionate basis in the income statement over the period in which the expenses eligible for government grants are expensed. Government grants are recognised under other operation income.

Notes

1 Accounting policies

Grants received for the production or construction of assets are recognised as deferred income under payables. For depreciable and amortisable assets, the grant is recognised as the assets is depreciated or amortised.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, and other operating income less consumables and other external expenses.

Revenue

Income is recognised in the income statement if delivery of services has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of thirdparties and less discounts.

Capitalised work performed for own account

Work performed for own account an capitalised comprises cost of sales, wages and salaries and other internal expenses incurred during the year and included in the cost of self-constructed og self-produced intangible assets.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Notes

1 Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Intangible assets

Development projects

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses. Development projects are amortised when the assets is ready for use.

Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Notes

1 Accounting policies

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price and the value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

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

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Notes

1 Accounting policies

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

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

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

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

Notes

	<u>2019</u>	<u>2018</u>
	DKK	DKK
2 Staff costs		
Wages and salaries	1.481.621	2.328.120
Pensions	86.624	91.000
Other social security costs	7.574	14.106
Other staff costs	<u>92.686</u>	<u>86.760</u>
	1.668.505	2.519.986
Staff costs, capitalized	<u>-1.483.025</u>	<u>-2.216.701</u>
	<u>185.480</u>	<u>303.285</u>
Average number of employees	<u>2</u>	<u>5</u>
3 Financial costs		
Other financial costs	<u>105.693</u>	<u>58.526</u>
	<u>105.693</u>	<u>58.526</u>
4 Tax on profit/loss for the year		
Current tax for the year	-1.150.947	0
Deferred tax for the year	1.168.345	420.000
Adjustment of tax concerning previous years	<u>0</u>	<u>525.414</u>
	<u>17.398</u>	<u>945.414</u>

Notes

5 Intangible assets

	<u>Development projects in progress</u>
Cost at 1 January 2019	15.999.884
Additions for the year	<u>6.464.313</u>
Cost at 31 December 2019	<u>22.464.197</u>
Carrying amount at 31 December 2019	<u><u>22.464.197</u></u>

Development projects in progress is a computer vision system for laparoscopic surgeries.

It is expected that the software development activities will continue in 2020 to expand the portfolio of proprietary solutions for advancing computer-driven applications within training, navigation and visualization in minimal invasive surgery. The value of the project has been confirmed in dialogue with potential investors.

Notes

6 Equity

	<u>Share capital</u>	<u>Reserv for development expenditure</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2019	125.985	10.107.029	734.836	10.967.850
Cash capital increase	1.146	0	0	1.146
Transfers, reserves	0	5.042.164	-5.042.164	0
Net profit/loss for the year	<u>0</u>	<u>0</u>	<u>62.237</u>	<u>62.237</u>
Equity at 31 December 2019	<u>127.131</u>	<u>15.149.193</u>	<u>-4.245.091</u>	<u>11.031.233</u>

Notes

	<u>2019</u> DKK	<u>2018</u> DKK
7 Provision for deferred tax		
Provision for deferred tax at 1 January 2019	<u>3.151.345</u>	<u>1.983.000</u>
Provision for deferred tax at 31 December 2019	<u>3.151.345</u>	<u>1.983.000</u>
Development project in progress	4.942.123	3.520.000
Deferred income	-984.719	-985.000
Tax loss carry-forward	<u>-806.059</u>	<u>-552.000</u>
	<u>3.151.345</u>	<u>1.983.000</u>

8 Contingent liabilities

The company is taxed jointly with the other Danish companies in the group and is liable for income taxes on a pro rata basis for the jointly taxed companies. The maximum liability totals an amount corresponding to the share of the capital in the company which is owned directly og indirectly by the ultimate parent. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

The Company has entered into a rental agreement and lease agreements with a total payment of DKK 191.000 in the remaining period of this DKK 54.000 are to be paid within one year.

9 Mortgages and collateral

The company has not provided any other security over assets.

Notes

10 Subsequent Events

As of the financial statement issuance date, the country, region and world are continuing to be impacted by the coronavirus (COVID-19). According to management, this outbreak is classified as non-corrective event after the reporting date. Although the situation is still evolving at the date of issue of these financial statements, there is no tangible impact on the Company's sales or supply chain to date, however, the impact of this situation on the Company in the future cannot be predicted. Management will continue to closely monitor the potential impact of these events and will take all possible measures to mitigate possible consequences.

No other events have occurred after the balance sheet date which could significantly affect the company's financial position.