

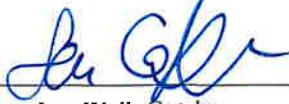
Welltec Latinamerica ApS

**Gydevang 25, 3450 Allerød
Central Business Registration No 28 50 53 02**

Annual report for 1 January – 31 December 2023

The Annual Report was presented and adopted at the Annual General Meeting on 21 June 2024

Chairman of the Annual General Meeting



Name: Lea Wølk Gøtske

Contents

	<u>Page</u>
Company details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Accounting policies	5
Income statement 2023	7
Balance sheet 31 December 2023	8
Statement of changes in equity 2023	10
Notes	11

Company details

The Company

Welltec Latinamerica ApS

Gydevang 25

DK-3450 Allerød

Denmark

Central Business Registration No: 28 50 53 02

Municipality of reg. office: Allerød

Financial period: 1 January – 31 December 2023

Executive Board

Michael Christensen

Peter Schnettler Kristensen

Jacob Salling Steensgaard

Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Strandvejen 44

DK-2900 Hellerup

Statement by Management on the annual report

The Executive Board has today considered and adopted the Annual Report of Welltec Latinamerica ApS for the financial year 1 January - 31 December 2023.

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 financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

We recommend that the Annual Report shall be adopted at the Annual General Meeting.

Allerød, 21 June 2024

Executive Board



Michael Christensen

Chief Executive Officer



Peter Schnettler Kristensen

Chief Executive Officer



Jacob Salling Steensgaard

Chief Executive Officer

Independent auditor's reports

To the Shareholder of Welltec Latinamerica ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Welltec Latinamerica ApS for the financial year 1 January – 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

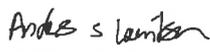
- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditor's reports (continued)

- 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.

Hellerup, 21 June 2024
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31


Anders Stig Lauritsen
State Authorised
Public Accountant
mne32800


Henrik Kyhnav
State Authorised
Public Accountant
mne40028

Accounting policies

The Annual Report of Welltec Latinamerica ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in US dollar (USD), which also is the functional currency. The applied currency rate to Danish Kroner at 31 December 2023 is 6.74 (2021: 6.97).

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

Recognition and measurement

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

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

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction.

Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognized in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognized directly in equity.

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

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Gross profit

The Company has applied the Danish Financial Statement Act art. 32, whereas revenue, cost of sales and other external expenses are summarized in gross loss.

Revenue

Rendering of service revenue is recognized in the income statement when the performance obligation is satisfied, which is when the agreed service is provided.

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

Accounting policies (continued)

Other external expenses

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

Result of investments in subsidiaries

Dividends from subsidiaries are recognized as income in the income statement when adopted at the General Meeting of the subsidiary.

The result of investments in subsidiaries is recognized less any write-downs on the investments.

Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognized in the income statement, whereas the tax attributable to equity transactions is recognized directly in equity. The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value. In the event of indicators of impairment, an impairment is performed of investments in subsidiaries.

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.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Financial liabilities

On initial recognition liabilities, including trade payables, are measured at fair value. Subsequently, these liabilities are measured at amortized cost.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement or in equity if the deferred tax relates to items recognized in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognized in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognized in the income statement in financial income and expenses.

Income statement 1 January – 31 December

	<u>Note</u>	<u>2023</u> <u>USD</u>	<u>2022</u> <u>USD</u>
Gross (loss)		(89,640)	(124,039)
Loss before financial income and expenses		(89,640)	(124,039)
Result of investments in subsidiaries	2	(256,194)	2,439,619
Other financial income	3	131,569	489,898
Other financial expenses	4	(185,470)	(1,608)
Profit before tax		(399,735)	2,803,870
Tax on profit for the year	5	(20,147)	(851)
Net profit for the year		(419,882)	2,803,019

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year		-	1,500,000
Retained earnings		(419,882)	1,303,019
Net profit for the year		(419,882)	2,803,019

Balance sheet 31 December

Assets	Note	2023 USD	2022 USD
Investments in subsidiaries	6	198,494	454,688
Financial assets		198,494	454,688
Non-current assets		198,494	454,688
Receivables from group enterprises		1,528,767	2,950,767
Other receivables		16,834	28,671
Tax receivables		9,440	10,572
Receivables		1,555,041	2,990,010
Cash at bank		3,785	-
Current assets		1,558,826	2,990,010
Assets		1,757,320	3,444,698

Balance sheet 31 December

Liabilities and equity	Note	2023 USD	2022 USD
Share capital		87,414	87,414
Retained earnings		2,248,570	2,668,452
Currency adjustments		(808,134)	(953,599)
Proposed dividend for the year		-	1,500,000
Equity		1,527,850	3,302,267
Payable to group enterprises		-	15,016
Trade payables		47,649	8,430
Corporation tax		23,790	3,680
Other payables		158,031	115,305
Current liabilities		229,470	142,431
Liabilities		229,470	142,431
Equity and liabilities		1,757,320	3,444,698
Contingent assets, liabilities and other financial obligations	7		
Related parties	8		

Statement of changes in equity

	<u>Share Capital</u>	<u>Retained earnings</u>	<u>Currency adjustments</u>	<u>Proposed dividend for the Year</u>	<u>Total</u>
	USD	USD	USD	USD	USD
2023					
Equity 1 January	87,414	2,668,452	(953,599)	1,500,000	3,302,267
Dividend pay-out for the year	-	-	-	(1,500,000)	(1,500,000)
Net profit for the year	-	(419,882)	145,465	-	(274,417)
Equity 31 December	87,414	2,248,570	(808,134)	-	1,527,850

Notes

1 Key activities

The Entity's primary activity is to own a number of subsidiaries and has branches in Columbia (Welltec Latin America ApS Sucursal Colombiana Branch) and Ecuador (Welltec Latin America ApS (Ecuador Branch)).

The Company had no employees in 2023 (2022: nil).

	2023	2022
	USD	USD
2 Result of investments in subsidiaries		
Dividends received	-	2,811,497
Write-down on investments in subsidiaries	(256,194)	-
Write-down on group receivable	-	(371,878)
	(256,194)	2,439,619
3 Financial income		
Interest received from group enterprises	121,282	26,592
Exchange adjustments	-	459,384
Other financial income	10,287	3,922
	131,569	489,898
4 Financial expenses		
Exchange adjustments	185,050	-
Other financial expenses	420	1,608
	185,470	1,608
5 Tax income/(expense) on profit/loss for the year		
Tax on ordinary profit/loss for the year	20,147	-
Other taxes	-	851
	20,147	851

Notes (continued)

	2023	2022
	USD	USD
6 Investments in subsidiaries		
Cost 1 January	7,121,591	7,121,591
Cost 31 December	7,121,591	7,121,591
Value adjustments 1 January	(6,666,903)	(6,666,903)
Impairment adjustment for the year	(256,194)	-
Value adjustments 31 December	(6,923,097)	(6,666,903)
Carrying amount	198,494	454,688

7 Contingent assets, liabilities and other financial obligations

The Group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Welltec International ApS, which is the management company of the joint taxation purposes. Moreover, the Group companies are jointly and severally liable for the Danish withholding taxes by way of dividend tax on royalty payments and tax on unearned income. Any subsequent adjustment of corporation taxes and withholding taxes may increase the Company's liability.

8 Related parties**Consolidated Financial Statements**

Name and registered office of the ultimate parent preparing consolidated financial statements for the smallest Group:

Name	Place of registered office
Welltec International ApS	Allerød

9 Events after the balance sheet date

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.