

CATHVISION APS
LYGTEN 37, 2400 KØBENHAVN NV
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 28 June 2024**

Anders Markvardt

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 35 20 55 00

CONTENTS

	Page
Company Details	
Company Details.....	2
Statement and Report	
Management's Statement.....	3
Independent Auditor's Report.....	4-6
Management Commentary	
Management Commentary.....	7
Financial Statements 1 January - 31 December	
Income Statement.....	8
Balance Sheet.....	9-10
Equity.....	11
Notes.....	12-14
Accounting Policies.....	15-17

COMPANY DETAILS

Company	CathVision ApS Lygten 37 2400 Copenhagen N CVR No.: 35 20 55 00 Established: 25 March 2013 Financial Year: 1 January - 31 December
Board of Directors	Søren Thestrup Nielsen, chairman Denis Gestin Magnus Holm Tonni Bülow-Nielsen Meghna Gupta Eichelberger
Executive Board	Mads Emil Matthiesen Allan Renneberg Gersfelt-Larsen
Auditor	Deloitte Statsautoriseret revisionspartnerselskab Østre Havnepromenade 26, 4. 9000 Aalborg
Bank	Nordea Bank Danmark A/S

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of CathVision ApS for the financial year 1 January - 31 December 2023.

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 Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 28 June 2024

Executive Board

Mads Emil Matthiesen

Allan Renneberg Gersfelt-Larsen

Board of Directors

Søren Thestrup Nielsen
Chairman

Denis Gestin

Magnus Holm

Tonni Bülow-Nielsen

Meghna Gupta Eichelberger

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of CathVision ApS

Opinion

We have audited the Financial Statements of CathVision 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 are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and 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.

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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matter

We draw attention to note 8 to the financial statements, which discloses that there is material uncertainty related to the valuation of the Company's development activities. The Company has prepared an impairment test based on expected cash flows in the years ahead. The value of the development costs depends on the Company's earnings in the years ahead. These conditions, along with other matters as set forth in note 8, indicate that there is material uncertainty related to the valuation of the Company's capitalized development costs. Our opinion has not been modified with respect to this matter.

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.

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.

INDEPENDENT AUDITOR'S REPORT

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary 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 Commentary.

Aalborg, 28 June 2024

Deloitte Statsautoriseret revisionspartnerselskab
CVR no. 33963556

Peter Nørrevang
State Authorised Public Accountant
MNE no. mne11706

MANAGEMENT COMMENTARY

Principal activities

The purpose of the company is to develop systems for electrophysiology studies and business in this field.

Development in activities and financial and economic position

During 2023 the CathVision Cube hardware & software version 3.0 received FDA clearance and was approved for market in the US. The development work in CathVision has progressed as planned in 2023. CathVision have in 2023 performed a limited market release on version 2.0 for user feedback and are ready for commercial launch in 2024.

In July 2023 CathVision finalized an Equity investment of 63 million DKK. With 50% Paid on closing. The use of proceeds is to support the market launch of the EP system in the US and further development.

Management has great expectations the final product providing value to both clinicians and patients through improved signal quality and usability. The management sees no indications of a need for depreciation of the development assets.

Significant events after the end of the financial year

In April 2024 next tranche of investment agreement of July 2023 was released.

In May 2024 a second closing of the investment agreement of July 2023 was signed and 75% paid on closing.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
GROSS LOSS		-15.036.319	-5.353.336
Staff costs.....	1	-19.017.339	-16.327.443
Depreciation, amortisation and impairment.....		-8.158.235	-6.201.947
OPERATING LOSS		-42.211.893	-27.882.726
Other financial income.....		161.206	10.159
Other financial expenses.....		-241.858	-488.342
LOSS BEFORE TAX		-42.292.545	-28.360.909
Tax on profit/loss for the year.....	2	5.461.761	7.308.614
LOSS FOR THE YEAR		-36.830.784	-21.052.295
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		-36.830.784	-21.052.295
TOTAL		-36.830.784	-21.052.295

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Development projects completed.....		64.540.833	55.119.334
Development projects in progress and prepayments.....		14.282.097	17.273.189
Intangible assets.....	3	78.822.930	72.392.523
Other plants, machinery, tools and equipment.....		477.951	50.688
Property, plant and equipment.....	4	477.951	50.688
Equity investments in group enterprises.....		6.399	6.399
Receivables from group enterprises.....		0	354.524
Rent deposit and other receivables.....		433.255	289.197
Financial non-current assets.....	5	439.654	650.120
NON-CURRENT ASSETS.....		79.740.535	73.093.331
Raw materials and consumables.....		3.655.262	729.974
Inventories.....		3.655.262	729.974
Other receivables.....		1.566.659	1.279.548
Receivables corporation tax.....		2.844.761	3.592.614
Prepayments and accrued income.....		56.607	138.425
Receivables.....		4.468.027	5.010.587
Cash and cash equivalents.....		19.214.325	17.486.106
CURRENT ASSETS.....		27.337.614	23.226.667
ASSETS.....		107.078.149	96.319.998

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share capital.....		755.828	615.605
Transferred to reserve for development costs.....		59.948.449	54.932.731
Retained profit.....		23.553.889	14.147.451
EQUITY.....		84.258.166	69.695.787
Provision for deferred tax.....		0	2.617.000
PROVISIONS.....		0	2.617.000
Convertible and interest-bearing debt instruments.....		5.486.161	5.275.155
Other liabilities.....		579.637	569.857
Non-current liabilities.....	6	6.065.798	5.845.012
Trade payables.....		1.907.539	1.852.220
Payables to group enterprises.....		5.397	0
Other liabilities.....		1.255.254	1.037.682
Accruals and deferred income.....		13.585.995	15.272.297
Current liabilities.....		16.754.185	18.162.199
LIABILITIES.....		22.819.983	24.007.211
EQUITY AND LIABILITIES.....		107.078.149	96.319.998
 Contingencies etc.	 7		
Information on uncertainty with respect to recognition and measurement	8		

EQUITY

	Share capital	Transferred to reserve for development costs	Retained profit	Total
Equity at 1 January 2023.....	615.605	54.932.731	14.147.451	69.695.787
Proposed profit allocation.....			-36.830.784	-36.830.784
Transactions with owners				
Capital increase.....	140.223		51.252.940	51.393.163
Other legal bindings				
Capitalized development costs.....		5.015.718	-5.015.718	0
Equity at 31 December 2023	755.828	59.948.449	23.553.889	84.258.166

NOTES

			Note
Staff costs			1
Average number of employees	18	18	
Wages and salaries.....	18.152.000	15.379.508	
Pensions.....	41.404	41.215	
Social security costs.....	68.388	77.327	
Other staff costs.....	755.547	829.393	
	19.017.339	16.327.443	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	-2.844.761	-3.592.614	
Adjustment of deferred tax.....	-2.617.000	-3.716.000	
	-5.461.761	-7.308.614	
Intangible assets			3
	Development projects completed	Development projects in progress and prepayments	
Cost at 1 January 2023.....	61.243.704	17.273.189	
Transfer.....	17.273.189	0	
Additions.....	0	14.282.097	
Disposals.....	0	-17.273.189	
Cost at 31 December 2023.....	78.516.893	14.282.097	
Amortisation at 1 January 2023.....	6.124.370	0	
Amortisation for the year.....	7.851.690	0	
Amortisation at 31 December 2023.....	13.976.060	0	
Carrying amount at 31 December 2023.....	64.540.833	14.282.097	

In July 2023 the CathVision ECGenius™ version 3.0 received FDA clearance, In addition version 3.1 and 3.2 was developed and released during 2023, supporting feedback from limited market realease testing of the product. The development work in CathVision has progressed as planned in 2023.

In July 2022 CathVision finalized an Equity investment of DKK 63 million of which 50% million was paid in at closing. The use of proceeds is to support the market launch of the EP system in the US and further development in 2024 to bring valuable decision support algorithms to market.

CathVision have strong inbound request for evaluations and test of the system from EP clinics and hospitals in US and Europe.

Management has great expectations of the final product providing value to both clinicians and patients through improved signal quality and usability. The management sees no indications of a need for depreciation of the development assets.

NOTES

				Note
Property, plant and equipment				4
			Other plants, machinery, tools and equipment	
Cost at 1 January 2023.....			465.988	
Additions.....			733.808	
Cost at 31 December 2023.....			1.199.796	
Depreciation and impairment losses at 1 January 2023.....			415.300	
Depreciation for the year.....			306.545	
Depreciation and impairment losses at 31 December 2023.....			721.845	
Carrying amount at 31 December 2023.....			477.951	
 Financial non-current assets				 5
	Equity	Receivables from		
	investments in	group	Rent deposit and	
	group	group	other receivables	
	enterprises	enterprises		
Cost at 1 January 2023.....	6.399	354.524	289.197	
Additions.....	0	-359.921	144.058	
Disposals.....	0	5.397	0	
Cost at 31 December 2023.....	6.399	0	433.255	
Carrying amount at 31 December 2023.....	6.399	0	433.255	
 Long-term liabilities				 6
	31/12 2023	Repayment	Debt	31/12 2022
	total liabilities	next year	outstanding	total liabilities
			after 5 years	
Convertible and interest-bearing debt				
instruments.....	5.486.161	0	0	5.275.155
Other liabilities.....	579.637	0	0	569.857
	6.065.798	0	0	5.845.012
 Contingencies etc.				 7
Contingent liabilities				
The company has entered into lease rental property, which can be terminated by 6 months notice. The Company has rental commitments for a total of DKK 3.217 thousand on the current lease rental property.				

NOTES

Note

Information on uncertainty with respect to recognition and measurement

8

Due to its special activity as a development company, there is a natural uncertainty related with the measurement of the company's development activities.

Management has prepared an impairment for the development projects based on cash flows. The expected cash flows generated are expected to be positive from 2027. The discount factor used for the impairment test is a market conform 10% p.a.

ACCOUNTING POLICIES

The Annual Report of CathVision ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Income from investments in subsidiaries

Dividend from subsidiary is recognised in the financial year when the dividend is declared.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

ACCOUNTING POLICIES

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	2-5 years	0 %

Profit or loss from sale of tangible fixed assets is stated as the difference between sales price less cost of sales and the carrying amount at the time of sale. Profit or loss is recognised in the Income Statement.

Financial non-current assets

Equity investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

ACCOUNTING POLICIES

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

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

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.