

CATHVISION APS
TITANGADE 11, 2200 KØBENHAVN N
ANNUAL REPORT
1. JANUAR - 31. DECEMBER 2019

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 27 August 2020**

Anders Markvardt

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COMPANY DETAILS

Company	CathVision ApS Titangade 11 2200 København N CVR no.: 35 20 55 00 Established: 25 March 2013 Registered Office: Copenhagen Financial Year: 1 January - 31 December
Board of Directors	Søren Thestrup Nielsen, Chairman Denis Gestin Magnus Holm Thor Jespersen Tonni Bülow-Nielsen
Board of Executives	Mads Emil Matthiesen
Auditor	Deloitte Statsautoriseret revisionspartnerselskab Østre Havnepromenade 26, 4. 9000 Aalborg
Bank	Nordea Bank Danmark A/S

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of CathVision ApS for the year 1 January - 31 December 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 the Company's financial position at 31 December 2019 and of the results of the the Company's operations for the financial year 1 January - 31 December 2019.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

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

København, den 24. august 2020

Board of Executives

Mads Emil Matthiesen

Board of Directors

Søren Thestrup Nielsen
Chairman

Denis Gestin

Magnus Holm

Thor Jespersen

Tonni Bülow-Nielsen

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of CathVision ApS

AUDITORS OPINION ON THE FINANCIAL STATEMENTS

Opinion

We have audited the Financial Statements of CathVision ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, 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 2019 and of the results of the Company 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.

Emphasis of matter

Without prejudice to our conclusion, we shall refer to the disclosure in Note 8, Information on uncertainty with respect to recognition and measurement, where the uncertainty associated with the measurement of the company's development activities is mentioned.

Management's Responsibility 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 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 judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT

- 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.

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.

INDEPENDENT AUDITOR'S REPORT

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Statement on compliance audit and performance audit true

Management is responsible for ensuring that the transactions covered by the financial statements are in accordance with the appropriations, laws and other regulations, agreements and usual practice and that financial consideration was made when managing the funds and the operation of the activities covered by the financial statements. Management is also responsible for setting up systems and processes supporting economy, productivity and efficiency.

As part of our audit of the financial statements, it is our responsibility to perform compliance audit as well as performance audit of selected subject matters in accordance with the public auditing standards. In our compliance audit, we test the selected subject matters to obtain reasonable assurance about whether the examined transactions covered by the financial statements comply with the appropriations, laws and other regulations, agreements and usual practice. In our performance audit, we make an assessment to obtain reasonable assurance about whether the systems, processes or transactions examined support the exercise of sound financial management in the administration of the funds and activities covered by the financial statements.

We must report on any grounds for significant critical comments should we find such in performing our procedures.

We have no significant critical comments to report in this connection.

Aalborg, 24 August 2020

Deloitte Statsautoriseret revisionspartnerselskab
CVR-nr. 33963556

Peter Nørrevang
State Authorised Public Accountant
MNE-nr. 11706

MANAGEMENT'S REVIEW

Principal activities

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

Development in activities and financial position

Development work has tracked according to plan throughout the period. The technology have passed critical testing and are ready for studies and testing in real life environments.

CathVision have developed a system that demonstrates reduced electrical noise compared to existing devices in the market. Improved signal quality enable physicians to improve their electrophysiology studies and cardiac ablation treatments. Cardiac ablation is a minimally invasive existing treatment, with room for improvement in atrial fibrillation and ventricular tachycardia.

Management have in the period secured funding through the EU Horizon 2020 SME instrument Phase II. The management is expecting an equity increase in early 2020 with sufficient new capital to support the activities for the coming year.

Significant events after the end of the financial year

The company have post-closure of the period signed and executed an equity capital increase, from both existing and new investors.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2019 DKK	2018 DKK
GROSS LOSS		-924.816	91.276
Staff costs.....	1	-3.092.814	-1.629.095
Depreciation, amortisation and impairment.....		-23.904	-14.081
OPERATING LOSS		-4.041.534	-1.551.900
Other financial income.....		7.475	0
Other financial expenses.....		27.740	-433.175
PROFIT BEFORE TAX		-4.006.319	-1.985.075
Tax on profit/loss for the year.....	2	918.621	465.744
PROFIT FOR THE YEAR		-3.087.698	-1.519.331
PROPOSED DISTRIBUTION OF PROFIT			
Accumulated profit.....		-3.087.698	-1.519.331
TOTAL		-3.087.698	-1.519.331

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2019 DKK	2018 DKK
Development projects in progress and prepayments.....		30.058.129	17.148.999
Intangible fixed assets	3	30.058.129	17.148.999
Other plants, machinery, tools and equipment.....		76.822	38.650
Tangible fixed assets	4	76.822	38.650
Equity investments in group enterprises.....		6.399	6.399
Receivables from group enterprises.....		408.662	0
Rent deposit and other receivables.....		83.109	116.910
Fixed asset investments	5	498.170	123.309
FIXED ASSETS		30.633.121	17.310.958
Other receivables.....		1.665.174	718.520
Receivables corporation tax.....		2.727.621	2.489.744
Prepayments and accrued income.....		46.752	16.287
Receivables		4.439.547	3.224.551
Cash and cash equivalents		6.367.669	1.273.774
CURRENT ASSETS		10.807.216	4.498.325
ASSETS		41.440.337	21.809.283
EQUITY AND LIABILITIES			
Share capital.....		321.894	227.444
Transfer to reserve for development costs.....		21.911.904	11.842.783
Retained profit.....		-452.032	-2.762.931
EQUITY	6	21.781.766	9.307.296
Provision for deferred tax.....		5.304.000	3.495.000
PROVISION FOR LIABILITIES		5.304.000	3.495.000
Debt instruments.....		4.689.099	6.970.530
Other liabilities.....		85.987	0
Long-term liabilities	7	4.775.086	6.970.530
Bank debt.....		0	116.731
Trade payables.....		1.142.215	1.599.163
Payables to group enterprises.....		0	39.515
Other liabilities.....		300.619	281.048
Accruals and deferred income.....		8.136.651	0
Current liabilities		9.579.485	2.036.457
LIABILITIES		14.354.571	9.006.987
EQUITY AND LIABILITIES		41.440.337	21.809.283
Information on uncertainty with respect to recognition and measurement	8		

BALANCE SHEET AT 31 DECEMBER

NOTES

	2019 DKK	2018 DKK	Note
Staff costs			1
Average number of employees 4 (2018: 3)			
Wages and salaries.....	2.955.057	1.523.361	
Pensions.....	8.836	6.059	
Social security costs.....	7.577	9.674	
Other staff costs.....	121.344	90.001	
	3.092.814	1.629.095	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	-2.727.621	-2.489.744	
Adjustment of deferred tax.....	1.809.000	2.024.000	
	-918.621	-465.744	
Intangible fixed assets			3
		Development projects in progress and prepayments	
Cost at 1 January 2019.....		17.148.999	
Additions.....		12.909.130	
Cost at 31 December 2019.....		30.058.129	
Carrying amount at 31 December 2019.....		30.058.129	
<p>The development work of CathVision Cube hardware has progressed as planned in 2019. The CathVision Cube hardware have passed critical safety tests at certified testing facilities. The development work of the Cathvision Cube software the development reached Beta 1 state at end of 2019 as planned.</p> <p>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.</p>			
Tangible fixed assets			4
		Other plants, machinery, tools and equipment	
Cost at 1 January 2019.....		62.531	
Additions.....		62.076	
Cost at 31 December 2019.....		124.607	
Depreciation and write-down at 1 January 2019.....		23.882	
Depreciation for the year.....		23.903	
Depreciation and write-down at 31 December 2019.....		47.785	
Carrying amount at 31 December 2019.....		76.822	

NOTES

	Note
Fixed asset investments	5

	Equity investments in group enterprises	Receivables from group enterprises	Rent deposit and other receivables
Cost at 1 January 2019.....	6.399	0	116.910
Additions.....	0	408.662	36.870
Disposals.....	0	0	-70.671
Cost at 31 December 2019.....	6.399	408.662	83.109
Carrying amount at 31 December 2019.....	6.399	408.662	83.109

Equity	6
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	Share capital	Transfer to reserve for development costs	Retained profit	Total
Equity at 1 January 2019.....	227.444	11.842.783	-2.762.931	9.307.296
Capital increase.....	94.450		15.467.718	15.562.168
Proposed distribution of profit.....			-3.087.698	-3.087.698
Transfer to reserve for development costs...		10.069.121	-10.069.121	
Equity at 31 December 2019.....	321.894	21.911.904	-452.032	21.781.766

Long-term liabilities	7
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	1/1 2019 total liabilities	31/12 2019 total liabilities	Repayment next year	Debt outstanding after 5 years
Bank loan.....	116.731	0	0	0
Debt instruments.....	6.970.530	4.689.099	0	0
Other liabilities.....	0	85.987	0	0
	7.087.261	4.775.086	0	0

Information on uncertainty with respect to recognition and measurement	8
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Due to its special activity as a development company, there is a natural uncertainty related with the measurement of the company's development activities.

ACCOUNTING POLICIES

The annual report of CathVision ApS for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B.

The Annual Report is prepared consistently with the accounting principles used 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.

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, operational 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.

Financial income and expenses in general

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 on profit for the year

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.

ACCOUNTING POLICIES

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.

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

Land and buildings, production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-down. Land is not depreciated.

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. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

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 plants, fixtures and equipment.....	2-5 years	0 %

Profit or loss on disposal of tangible fixed assets is stated at the difference between selling price less selling costs and the carrying amount at the time of sale. Profits or losses are recognised in the income statement.

Fixed asset investments

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

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, 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 net realisable value is lower than the carrying amount, write-down is provided to the lower value.

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.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-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 would 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.

Accruals, liabilities

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