

CATHVISION APS
TITANGADE 11, 2200 KØBENHAVN N
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2020

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 22 June 2021**

Anders Markvardt

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COMPANY DETAILS

Company	CathVision ApS Titangade 11 2200 Copenhagen 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 Tonni Bülow-Nielsen Meghna Gupta Eichelberger
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 financial year 1 January - 31 December 2020.

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 financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

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.

Copenhagen, 22 June 2021

Board of Executives

Mads Emil Matthiesen

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

AUDITORS OPINION ON THE FINANCIAL STATEMENTS

Opinion

We have audited the Financial Statements of CathVision ApS for the financial year 1 January - 31 December 2020, 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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matter

Without prejudice to our conclusion, we shall refer to the disclosure in Note 7, 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 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 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, 22 June 2021

Deloitte Statsautoriseret revisionspartnerselskab
CVR no. 33963556

Peter Nørrevang
State Authorised Public Accountant
MNE no. mne11706

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

The development work of CathVision Cube hardware has progressed as planned in 2020. The CathVision Cube hardware & software version 1 have passed through the verification and validation stage of development as planned. The full system is expected to be submitted for regulatory approval in 2021.

CathVision as planned in 2020 secured external funding through Equity investment to support finalization and approval of the CathVision Cube.

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 deprecation of the development assets.

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 existing investors.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK	2019 DKK
GROSS PROFIT		3.764.632	-924.816
Staff costs.....	1	-10.563.376	-3.092.814
Depreciation, amortisation and impairment.....		-124.987	-23.904
OPERATING LOSS		-6.923.731	-4.041.534
Other financial income.....		11.604	7.475
Other financial expenses.....		-304.831	27.740
LOSS BEFORE TAX		-7.216.958	-4.006.319
Tax on profit/loss for the year.....	2	2.661.335	918.621
LOSS FOR THE YEAR		-4.555.623	-3.087.698
 PROPOSED DISTRIBUTION OF DIVIDEND			
Retained earnings.....		-4.555.623	-3.087.698
TOTAL		-4.555.623	-3.087.698

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2020 DKK	2019 DKK
Development projects in progress and prepayments.....		46.725.169	30.058.129
Intangible fixed assets	3	46.725.169	30.058.129
Other plants, machinery, tools and equipment.....		216.691	76.822
Tangible fixed assets	4	216.691	76.822
Equity investments in group enterprises.....		6.399	6.399
Receivables from group enterprises.....		368.390	408.662
Rent deposit and other receivables.....		230.894	83.109
Fixed asset investments	5	605.683	498.170
FIXED ASSETS		47.547.543	30.633.121
Raw materials and consumables.....		167.938	0
Inventories		167.938	0
Other receivables.....		915.987	1.665.174
Receivables corporation tax.....		3.585.335	2.727.621
Prepayments and accrued income.....		0	46.752
Receivables		4.501.322	4.439.547
Cash and cash equivalents		7.681.627	6.367.669
CURRENT ASSETS		12.350.887	10.807.216
ASSETS		59.898.430	41.440.337

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2020 DKK	2019 DKK
Share capital.....		396.103	321.894
Transferred to reserve for development costs.....		34.912.195	21.911.904
Retained profit.....		-3.522.342	-452.032
EQUITY.....		31.785.956	21.781.766
Provision for deferred tax.....		6.228.000	5.304.000
PROVISION FOR LIABILITIES.....		6.228.000	5.304.000
Convertible and interest-bearing debt instruments.....		4.877.177	4.689.099
Other liabilities.....		542.415	85.987
Long-term liabilities.....	6	5.419.592	4.775.086
Trade payables.....		1.711.554	1.142.215
Other liabilities.....		1.734.796	300.619
Accruals and deferred income.....		13.018.532	8.136.651
Current liabilities.....		16.464.882	9.579.485
LIABILITIES.....		21.884.474	14.354.571
EQUITY AND LIABILITIES.....		59.898.430	41.440.337
 Information on uncertainty with respect to recognition and measurement	 7		

EQUITY

	Share capital	Transferred to reserve for development costs	Retained profit	Total
Equity at 1 January 2020.....	321.894	21.911.904	-452.032	21.781.766
Capital increase.....	74.209		14.485.604	14.559.813
Proposed distribution of profit.....			-4.555.623	-4.555.623
Transferred to reserve for development costs.....		13.000.291	-13.000.291	
Equity at 31 December 2020.....	396.103	34.912.195	-3.522.342	31.785.956

NOTES

	2020 DKK	2019 DKK	Note
Staff costs			1
Average number of employees 14 (2019: 4)			
Wages and salaries.....	10.307.314	2.955.057	
Pensions.....	29.917	8.836	
Social security costs.....	25.322	7.577	
Other staff costs.....	200.823	121.344	
	10.563.376	3.092.814	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	-3.585.335	-2.727.621	
Adjustment of deferred tax.....	924.000	1.809.000	
	-2.661.335	-918.621	
Intangible fixed assets			3
		Development projects in progress and prepayments	
Cost at 1 January 2020.....		30.058.129	
Additions.....		16.667.040	
Cost at 31 December 2020.....		46.725.169	
Carrying amount at 31 December 2020.....		46.725.169	

The development work of CathVision Cube hardware has progressed as planned in 2020. The CathVision Cube hardware & software version 1 have passed through the verification and validation stage of development as planned. The full system is expected to be submitted for regulatory approval in 2021.

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.

NOTES

				Note	
Tangible fixed assets				4	
			Other plants, machinery, tools and equipment		
Cost at 1 January 2020.....			124.607		
Additions.....			264.856		
Cost at 31 December 2020.....			389.463		
Depreciation and impairment losses at 1 January 2020.....			47.785		
Depreciation for the year.....			124.987		
Depreciation and impairment losses at 31 December 2020.....			172.772		
Carrying amount at 31 December 2020.....			216.691		
 Fixed asset investments				 5	
		Equity			
		investments in	Receivables from		
		group	group	Rent deposit and	
		enterprises	enterprises	other receivables	
Cost at 1 January 2020.....		6.399	408.662	83.109	
Additions.....		0	0	173.785	
Disposals.....		0	-40.272	-26.000	
Cost at 31 December 2020.....		6.399	368.390	230.894	
Carrying amount at 31 December 2020.....		6.399	368.390	230.894	
 Long-term liabilities				 6	
	31/12 2020	Repayment	Debt	31/12 2019	Current
	total liabilities	next year	outstanding	total liabilities	portion at the
			after 5 years		beginning
					of the year
Convertible and interest-					
bearing debt instruments.....	4.877.177	0	0	4.689.099	0
Other liabilities.....	542.415	0	0	85.987	0
	5.419.592	0	0	4.775.086	0
 Information on uncertainty with respect to recognition and measurement					 7
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 2020 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.

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.

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.

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.

ACCOUNTING POLICIES

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.

Fixed asset investments

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.