



Cortrium ApS

Erik Husfeldts Vej 7
2630 Taastrup
CVR No. 36445335

Annual report 2022

The Annual General Meeting adopted the annual report on 07.08.2023

Alex Pløger

Chairman of the General Meeting

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Entity details

Entity

Cortrium ApS
Erik Husfeldts Vej 7
2630 Taastrup

Business Registration No.: 36445335
Registered office: Taastrup
Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Niels Erik Blangstrup Zibrandtsen
Erik Søndergaard Poulsen
Karsten Frank Rye Madsen
Michael Lange
Claus Zibrandtsen
Peter Karl Jacobsen

Executive Board

Philippe Alexandre Wagniez Jørgensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Cortrium ApS for the financial year 01.01.2022 - 31.12.2022.

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 Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Taastrup, 07.08.2023

Executive Board

Philippe Alexandre Wargniez Jørgensen

Board of Directors

Niels Erik Blangstrup Zibrandtsen

Erik Søndergaard Poulsen

Karsten Frank Rye Madsen

Michael Lange

Claus Zibrandtsen

Peter Karl Jacobsen

Independent auditor's report

To the shareholders of Cortrium ApS

Opinion

We have audited the financial statements of Cortrium ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including 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 Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statement.

After the balance sheet date the owners of the Company have made a capital contribution securing that the Company can continue as a going concern.

As a consequence our conclusion is not modified.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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.
- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the 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 the management commentary.

Copenhagen, 07.08.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Thomas Rosquist Andersen

State Authorised Public Accountant
Identification No (MNE) mne31482

Kasper Ørtoft

State Authorised Public Accountant
Identification No (MNE) mne49073

Management commentary

Primary activities

The Company's aim is to pursue business within the development of medical products, services and related activities.

Description of material changes in activities and finances

The Company's Income Statement of the financial year 1 January 2022 - 31 December 2022 shows a result of TDKK -9,979 and the Balance Sheet at 31 December 2022 a balance sheet total of TDKK 16,765 and an equity of TDKK -3,980.

Management finds the result in accordance with the plan for the year 2022, and is satisfied with the progress and development of the company according to the long term plan.

The Company has lost its equity.

After the balance sheet date the Owners of the Company have made a capital contribution re-establishing equity as described in note 1.

Events after the balance sheet date

After the balance sheet date the Company entered into a reconstruction of the company in order to work on securing liquidity to continue its operations.

Afterwards, and as described in note 1, a capital contribution was made securing sufficient liquidity to continue operations and re-establishing equity.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		6,686,422	4,661,227
Staff costs	2	(11,996,781)	(10,244,329)
Depreciation, amortisation and impairment losses		(910,822)	(141,669)
Operating profit/loss		(6,221,181)	(5,724,771)
Other financial income		24,992	3,302
Financial expenses from group enterprises		0	(5,913)
Other financial expenses		(400,860)	(377,923)
Profit/loss before tax		(6,597,049)	(6,105,305)
Tax on profit/loss for the year	3	(3,381,927)	1,116,825
Profit/loss for the year		(9,978,976)	(4,988,480)
Proposed distribution of profit and loss			
Retained earnings		(9,978,976)	(4,988,480)
Proposed distribution of profit and loss		(9,978,976)	(4,988,480)

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	5	5,226,881	4,204,831
Development projects in progress	5	2,494,629	729,975
Intangible assets	4	7,721,510	4,934,806
Deposits		26,638	26,638
Deferred tax		0	2,366,000
Financial assets	6	26,638	2,392,638
Fixed assets		7,748,148	7,327,444
Raw materials and consumables		917,806	640,744
Inventories		917,806	640,744
Trade receivables		2,729,537	2,774,753
Other receivables		1,246	86,783
Income tax receivable		21,822	622,261
Prepayments		287,264	218,576
Receivables		3,039,869	3,702,373
Cash		5,058,933	3,139,971
Current assets		9,016,608	7,483,088
Assets		16,764,756	14,810,532

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		321,455	303,591
Reserve for development expenditure		6,022,778	3,849,145
Retained earnings		(10,324,506)	(3,654,033)
Equity		(3,980,273)	498,703
Other payables		6,619,768	6,618,373
Non-current liabilities other than provisions	7	6,619,768	6,618,373
Trade payables		1,576,234	846,785
Payables to associates		824,363	1,272,506
Other payables		11,210,849	5,112,635
Deferred income		513,815	461,530
Current liabilities other than provisions		14,125,261	7,693,456
Liabilities other than provisions		20,745,029	14,311,829
Equity and liabilities		16,764,756	14,810,532
Going concern	1		
Assets charged and collateral	8		

Statement of changes in equity for 2022

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	303,591	3,849,145	(3,654,033)	498,703
Increase of capital	17,864	0	5,482,136	5,500,000
Transfer to reserves	0	2,173,633	(2,173,633)	0
Profit/loss for the year	0	0	(9,978,976)	(9,978,976)
Equity end of year	321,455	6,022,778	(10,324,506)	(3,980,273)

After the balance sheet date a capital contribution by cash was made by the owners.

Notes

1 Going concern

When submitting the annual report the owners of the Company have made a capital increase by a cash payment a total of DKK 1.7 million and a debt conversion of DKK 1.2 million - Totaling DKK 2.9 million.

The Capital contribution is made as a premium reserve of total DKK 28.9 million.

The financial statement is therefore presented as going concern.

2 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	13,977,368	12,394,198
Other social security costs	180,633	152,645
Other staff costs	547,074	426,754
	14,705,075	12,973,597
Staff costs classified as assets	(2,708,294)	(2,729,268)
	11,996,781	10,244,329
Average number of full-time employees	23	18

3 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	1,015,927	(600,439)
Change in deferred tax	2,366,000	0
Adjustment concerning previous years	0	(516,386)
	3,381,927	(1,116,825)

4 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	4,346,498	729,975
Transfers	1,932,874	(1,932,872)
Additions	0	3,697,526
Cost end of year	6,279,372	2,494,629
Amortisation and impairment losses beginning of year	(141,669)	0
Amortisation for the year	(910,822)	0
Amortisation and impairment losses end of year	(1,052,491)	0
Carrying amount end of year	5,226,881	2,494,629

5 Development projects

The development costs are related to the development of the company's unique hardware and software products.

6 Financial assets

	Deposits DKK
Cost beginning of year	26,638
Cost end of year	26,638
Carrying amount end of year	26,638

7 Non-current liabilities other than provisions

	Due after more than 12 months 2022 DKK
Other payables	6,619,768
	6,619,768

Other payables consist of loans from the Danish Growth Fund.

8 Assets charged and collateral

As collateral for the loans from the Danish Growth Fund (Vækstfonden) totaling TDKK 6,620 (2021: TDKK 6,619), the Company has a floating company charge of TDKK 5,950 (2021: TDKK 5,590) with collateral in assets with a nominal value of TDKK 11,369 as collateral (2021: TDKK 8,350). The pledged assets comprise of intangible assets, inventories and trade receivables. Further a dividend restriction is established in this regard. The loan is measured at amortised cost.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue

Revenue from the sale of goods and services in the income statement when the risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory write downs.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Repayments from public authorities are deducted from staff costs.

Depreciation, amortisation and impairment losses

Depreciation, amortisation, and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of [intangible assets and] property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

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 recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contribution receivables are only recognised if such losses are expected to be used under the joint taxation arrangement.

Balance sheet

Intangible assets

Intangible assets comprise completed development projects.

Development projects are clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets.

Other development costs are recognised as costs in the income statement as incurred.

When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under "Reserve for development costs" that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years.

For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights.

The amortisation periods used are 10 years.

Impairment of intangible assets

The carrying amount of intangible assets is reviewed annually to determine whether there is an indication of impairment beyond the annual depreciation. If this is the case, a write-down is made to the lower of recoverable amount and carrying amount.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials and consumables.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.