
Corporatehealth International ApS

Forskerparken 10, DK-5230 Odense M

Annual Report for 1 January - 31 December 2020

CVR No 36 53 96 90

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
9 /7 2021

Hagen Roland Wenzek
Chairman of the General
Meeting



pwc

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Practitioner's Statement on Compilation of Financial Statements	2
Company Information	
Company Information	3
Management's Review	4
Financial Statements	
Income Statement 1 January - 31 December	6
Balance Sheet 31 December	7
Statement of Changes in Equity	9
Notes to the Financial Statements	10

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Corporatehealth International ApS for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. The Company complies with the exemption provisions governing the omission to have its Financial Statements audited.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Odense, 9 July 2021

Executive Board

Hagen Roland Wenzek

Christoph Cornelius Glismann

Board of Directors

Mads Spanggard Rasmussen
Chairman

Arndt Oliver Friedrich Welsch-
Lehmann

Christoph Cornelius Glismann

Hagen Roland Wenzek

Practitioner's Statement on Compilation of Financial Statements

To the Management of Corporatehealth International ApS

We have compiled the Financial Statements of Corporatehealth International ApS for the financial year 1 January - 31 December 2020 on the basis of the Enterprise's accounting records and other information you have provided.

The Financial Statements comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.

We performed our work in accordance with ISRS 4410, Engagements to Compile Financial Information.

Based on our professional expertise, we have assisted you with the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and IESBA's Code of Ethics, including the principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information forming the basis of the compilation of the Financial Statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are under no duty to verify the accuracy or completeness of the information you provided to us to compile the Financial Statements. Accordingly, we express no audit opinion or review opinion as to whether the Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

Odense, 9 July 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mette Holy Jørgensen
statsautoriseret revisor
mne34359

Anders Kronborg Choy
statsautoriseret revisor
mne44142

Company Information

The Company

Corporatehealth International ApS
Forskerparken 10
DK-5230 Odense M

CVR No: 36 53 96 90
Financial period: 1 January - 31 December
Municipality of reg. office: Odense

Board of Directors

Mads Spanggard Rasmussen, Chairman
Arndt Oliver Friedrich Welsch-Lehmann
Christoph Cornelius Glismann
Hagen Roland Wenzek

Executive Board

Hagen Roland Wenzek
Christoph Cornelius Glismann

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Munkebjergvænget 1, 3. og 4. sal
DK-5230 Odense M

Management's Review

Key activities

CorporateHealth International ApS (CHI) provides IT-enabled healthcare services to establish a new, scalable delivery model for optimized gastrointestinal disease investigations. Built upon standard workflows, centralized diagnostics and broadly leveraged IT for process innovation and automation, patients in many cases can be kept out of the classical clinical environment.

This decreases costs and enables large scale rollouts. Eventually, every person with a gastrointestinal disease should have the chance to get diagnosed early and everyone at risk of colorectal cancer (CRC) should be able to get a non-invasive, minimal-risk screening using capsule endoscopy (CE).

Development in the year

The income statement of the Company for 2020 shows a profit of EUR 89,210, and at 31 December 2020 the balance sheet of the Company shows equity of EUR 353,608.

2020 was a heavily split year: While the pandemic meant a slow-down in the scale-up it also opened up new opportunities. Furthermore, key progress was made in R&D.:

- Scottish Capsule Program - ScotCap: The initial assessment phase concluded in March 2020, just before the pandemic hit the UK. Shutdowns and expanded infection controls meant delays in moving to the next phase. Only by end of November 2020, the first new regions in Scotland started using our service. However, standard procedures (colonoscopies) were even worse hit, showcasing the advantage of CCE as being outpatient, minimally-invasive.

- CareForColon 2015 - CFC2015: Here, the pandemic also meant a delay in starting patient recruitment until August 2020. More stringent infection controls and hesitancy from patients to participate in any – even in safe – medical procedures, led to much smaller numbers of weekly patients. Therefore, the estimated end-date of the trial has been extended to mid 2022.

- Artificial Intelligence enabled capsule video analysis – AID-GI: The second year of the development project for an AI solution to (semi-) automate the analysis of capsule videos led to a completed digital value chain workpackage and a nearly finished AI prototype. The results were impressive with accuracy levels on par with typical intraobserver variance, achieved in 20-30% of normal time. The project finished then in 2/2021 and allowed us to successfully apply for follow-up grants and loans to bring a final software as medical device to market by 2022/23.

Management's Review

Capital resources

The Company's liquidity reserves are limited at 31st December 2020.

There is by nature uncertainty as to whether sufficient financing will be provided. It is management's assessment that needed capital to support operations and ensure the final development of and market entrance for its projects will be provided partly in the form of revenue from patient projects and partly through short term directors' loans.

On the basis of the above, management assesses that the Company is going concern. Reference is made to note 1.

Uncertainty relating to recognition and measurement

At 31st December 2020 the Company has intangible assets relating to its development projects of kEUR 1,411 and an intercompany receivable with its subsidiary Corporatehealth International UK Ltd. of kEUR 616.

There is uncertainty as to the valuation of the intangible assets and the intercompany receivable. Management has recognized the assets based on expected positive cash flows from its own projects and projects owned by its subsidiary. Reference is made to note 2.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2020 EUR	2019 EUR
Gross profit/loss		363.323	385.120
Staff expenses	3	-184.878	-174.857
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		0	-9.764
Profit/loss before financial income and expenses	4	178.445	200.499
Financial income		-10.821	0
Financial expenses		-74.875	-65.923
Profit/loss before tax		92.749	134.576
Tax on profit/loss for the year	5	-3.539	-29.237
Net profit/loss for the year		89.210	105.339

Distribution of profit

Proposed distribution of profit

Retained earnings	89.210	105.339
	89.210	105.339

Balance Sheet 31 December

Assets

	Note	2020 EUR	2019 EUR
Development projects in progress		1.410.525	1.153.351
Intangible assets	6	1.410.525	1.153.351
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	7	0	0
Investments in subsidiaries	8	26.112	26.112
Fixed asset investments		26.112	26.112
Fixed assets		1.436.637	1.179.463
Trade receivables		29.822	51.312
Receivables from group enterprises		619.063	458.751
Other receivables		2.855	2.856
Corporation tax		15.682	0
Prepayments		3.904	110
Receivables		671.326	513.029
Cash at bank and in hand		428	183
Currents assets		671.754	513.212
Assets		2.108.391	1.692.675

Balance Sheet 31 December

Liabilities and equity

	Note	2020 EUR	2019 EUR
Share capital		9.842	9.842
Reserve for development costs		824.440	623.844
Retained earnings		-480.674	-369.288
Equity		353.608	264.398
Provision for deferred tax		144.944	125.723
Provisions		144.944	125.723
Payables to owners and Management		220.428	164.116
Other payables		1.134.769	1.054.445
Long-term debt	9	1.355.197	1.218.561
Trade payables		3.000	3.000
Payables to owners and Management	9	26.127	0
Other payables	9	122.368	80.993
Deferred income		103.147	0
Short-term debt		254.642	83.993
Debt		1.609.839	1.302.554
Liabilities and equity		2.108.391	1.692.675
Going concern	1		
Uncertainty relating to recognition and measurement	2		
Contingent assets, liabilities and other financial obligations	10		
Accounting Policies	11		

Statement of Changes in Equity

	Share capital	Reserve for development costs	Retained earnings	Total
	EUR	EUR	EUR	EUR
Equity at 1 January	9.842	623.844	-369.288	264.398
Development costs for the year	0	200.596	-200.596	0
Net profit/loss for the year	0	0	89.210	89.210
Equity at 31 December	9.842	824.440	-480.674	353.608

Notes to the Financial Statements

1 Going concern

The Company's liquidity reserves are limited at 31st December 2020.

There is by nature uncertainty as to whether sufficient financing will be provided. It is management's assessment that needed capital to support operations and ensure the final development of and market entry for its projects will be provided partly in the form of revenue from patient projects and partly through short term directors' loans.

On the basis of the above, management assesses that the Company is going concern.

2 Uncertainty relating to recognition and measurement

At 31st December 2020 the Company has intangible assets relating to its development projects of kEUR 1,411 and an intercompany receivable with its subsidiary Corporatehealth International UK Ltd. of kEUR 616.

There is uncertainty as to the valuation of the intangible assets and the intercompany receivable. Management has recognized the assets based on expected positive cash flows from its own projects and projects owned by its subsidiary.

3 Staff expenses

	2020 EUR	2019 EUR
Wages and salaries	181.987	171.700
Other social security expenses	2.891	3.157
	184.878	174.857
Average number of employees	2	2

4 Special items

Covid-19 aid regarding wages and salaries	32.976	0
	32.976	0

The company has recognized kEUR 32.976 as Covid-19 aid regarding wages and salaries. The figure is disclosed under "Other operating income".

Notes to the Financial Statements

	2020 EUR	2019 EUR
5 Tax on profit/loss for the year		
Current tax for the year	-15.682	0
Deferred tax for the year	19.221	29.237
	3.539	29.237
6 Intangible assets		
		Development projects in progress EUR
Cost at 1 January		1.153.351
Additions for the year		257.174
Cost at 31 December		1.410.525
Carrying amount at 31 December		1.410.525

The Company is developing IT-enabled service products for video capsule endoscopy.

The service product "Home-Delivered Colon Capsule Endoscopy" has been developed into a system prototype through the collaborative project with Southern Danish University "CCFC - Commercializing CareForColon". Phase 2 concluded end of 2019 with a demonstration of the prototype at TRL 7. After Covid-19-caused delays, the clinical trial to validate the system finally started in 09/2020 at ~70% projected monthly patient recruitment numbers. Run time of the trial is 18-24 months bringing the system to TRL 8 mid/late 2022.

Furthermore, the prototype of an AI solution was developed as part of an CHI UK owned, Innovate UK sponsored project 'AID-GI', to TRL 4. A follow up project starting mid 2021 will bring that solution to a full Software-as-Medical Device with MDR certification by 2023. That solution will be integrated with the Home-Delivered Colon Capsule Endoscopy service product.

Notes to the Financial Statements

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR
Cost at 1 January	79.673
Cost at 31 December	79.673
Impairment losses and depreciation at 1 January	79.673
Impairment losses and depreciation at 31 December	79.673
Carrying amount at 31 December	0

8 Investments in subsidiaries

	2020 EUR	2019 EUR
Cost at 1 January	26.112	26.112
Carrying amount at 31 December	26.112	26.112

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
CorporateHealth Germany GmbH	Hamburg	EUR 25.000	100%
CorporateHealth International UK Ltd	Edinburgh	GBP 1.000	100%

Notes to the Financial Statements

9 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2020 EUR	2019 EUR
Payables to owners and Management		
After 5 years	220.428	164.116
Long-term part	220.428	164.116
Other short-term debt to owners and Management	26.127	0
	246.555	164.116
Other payables		
After 5 years	0	70.159
Between 1 and 5 years	1.134.769	984.286
Long-term part	1.134.769	1.054.445
Within 1 year	73.931	66.959
Other short-term payables	48.437	14.034
Short-term part	122.368	80.993
	1.257.137	1.135.438

Notes to the Financial Statements

	2020 EUR	2019 EUR
10 Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with lenders:		
Floating charge of kDKK 6,000 with security in receivables, inventories, other fixtures and machineries and intangible rights. The booked value of included assets is	2.066.169	1.666.380

Contingent liabilities

The company is part of proceedings regarding a terminated contract, in which a claim of kEUR 45 has been raised against the company. The management and the company's lawyer assess that the probability of an unfavourable outcome is less likely. On this background no provision has been made in relation to the claim.

Notes to the Financial Statements

11 Accounting Policies

The Annual Report of Corporatehealth International ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in EUR.

Recognition and measurement

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

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

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

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

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

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

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

Notes to the Financial Statements

11 Accounting Policies (continued)

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

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

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

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company.

Notes to the Financial Statements

11 Accounting Policies (continued)

Government grants

Government grants, such as economic stimulus packages, are recognised when it is reasonably certain that the Company complies with the conditions for receiving the grant, and it is reasonably certain that the Company will receive the grant. The grant is systematically recognised in the income statement over the period to which it relates, or immediately if the grant is not conditional upon incurrence of future costs or investments. Government grants are recognised as other operating income, or in the balance sheet if the purpose of the grant is investment in an asset.

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Intangible assets

Development projects, patents and licences

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for development costs". The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amor-

Notes to the Financial Statements

11 Accounting Policies (continued)

tisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 7 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3	years
--	---	-------

The fixed assets' residual values are determined at nil.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

Notes to the Financial Statements

11 Accounting Policies (continued)

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning subscriptions, rent etc.

Deferred tax assets and liabilities

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

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

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

Current tax receivables and liabilities

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

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.