



# Flexray Medical ApS

Speditørvej 19, 9000 Aalborg

Company reg. no. 36 89 05 09

## Annual report

**1 July 2022 - 30 June 2023**

The annual report was submitted and approved by the general meeting on the 14 November 2023.

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**Mads Vittrup**  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's statement**

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Today, the executive board has presented the annual report of Flexray Medical ApS for the financial year 1 July 2022 - 30 June 2023.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 30 June 2023 and of the company's results of activities in the financial year 1 July 2022 – 30 June 2023.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Aalborg, 14 November 2023

### **Executive board**

Mads Vittrup  
CEO & Partner

Simon Dyrup Nielsen  
CEO & Partner

## **Independent auditor's report on extended review**

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### **To the Shareholders of Flexray Medical ApS**

#### **Opinion**

We have performed an extended review of the financial statements of Flexray Medical ApS for the financial year 1 July 2022 - 30 June 2023, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 30 June 2023 and of the results of the Company's operations for the financial year 1 July 2022 - 30 June 2023 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **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 extended review of the Financial Statements**

Our responsibility is to express an opinion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our opinion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our opinion.

## **Independent auditor's report on extended review**

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An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

### **Statement on the Management's Review**

Management is responsible for the Management's Review.

Our opinion on the financial statements does not cover the Management's Review, and we do not express any form of assurance opinion thereon.

In connection with our extended review of the financial statements, our responsibility is to read the Management's Review and, in doing so, consider whether the Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 in the Management's Review.

Aalborg, 14 November 2023

### **Redmark**

Godkendt Revisionspartnerselskab  
Company reg. no. 29 44 27 89

Jens Palsgård Nørgaard  
State Authorised Public Accountant  
mne34289

## Company information

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### The company

Flexray Medical ApS  
Speditørvej 19  
9000 Aalborg

Company reg. no. 36 89 05 09  
Established: 5 May 2015  
Domicile: Aalborg  
Financial year: 1 July - 30 June

### Executive board

Mads Vittrup, CEO & Partner  
Simon Dyrup Nielsen, CEO & Partner

### Auditors

Redmark  
Godkendt Revisionspartnerselskab  
Hasseris Bymidte 6  
9000 Aalborg

### Bankers

Spar Nord

## Management's review

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### **The principal activities of the company**

The principal activities are sales of pre-owned and refurbished medical equipment, and related activities.

### **Development in activities and financial matters**

The management consider the results satisfactory.

## Income statement 1 July - 30 June

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Amounts concerning 2022/23: DKK.

Amounts concerning 2021/22: DKK thousand.

<u>Note</u>	<u>2022/23</u>	<u>2021/22</u>
<b>Gross profit</b>	<b>4.274.536</b>	<b>5.481</b>
1 Staff costs	-3.063.399	-2.386
Depreciation and impairment of property, land, and equipment	-11.230	-11
<b>Operating profit</b>	<b>1.199.907</b>	<b>3.084</b>
Other financial income	6.716	81
Other financial expenses	-76.387	-56
<b>Pre-tax net profit or loss</b>	<b>1.130.236</b>	<b>3.109</b>
Tax on net profit or loss for the year	-270.277	-692
<b>Net profit or loss for the year</b>	<b>859.959</b>	<b>2.417</b>
<b>Proposed distribution of net profit:</b>		
Dividend for the financial year	400.000	400
Transferred to retained earnings	459.959	2.017
<b>Total allocations and transfers</b>	<b>859.959</b>	<b>2.417</b>



## Balance sheet at 30 June

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Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
<b>Non-current assets</b>		
Other fixtures and fittings, tools and equipment	11.296	23
Total property, plant, and equipment	<u>11.296</u>	<u>23</u>
Deposits	50.593	47
Total investments	<u>50.593</u>	<u>47</u>
<b>Total non-current assets</b>	<b><u>61.889</u></b>	<b><u>70</u></b>
<b>Current assets</b>		
Manufactured goods and goods for resale	1.768.605	1.259
Total inventories	<u>1.768.605</u>	<u>1.259</u>
Trade receivables	4.522.601	3.510
Deferred tax assets	6.704	8
Other receivables	1.082.295	1.111
Prepayments	119.901	114
Total receivables	<u>5.731.501</u>	<u>4.743</u>
Cash and cash equivalents	<u>5.115.298</u>	<u>2.248</u>
<b>Total current assets</b>	<b><u>12.615.404</u></b>	<b><u>8.250</u></b>
<b>Total assets</b>	<b><u>12.677.293</u></b>	<b><u>8.320</u></b>

## Balance sheet at 30 June

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Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Contributed capital	54.000	54
Retained earnings	6.771.903	6.312
Proposed dividend for the financial year	400.000	400
<b>Total equity</b>	<b><u>7.225.903</u></b>	<b><u>6.766</u></b>
<b>Liabilities other than provisions</b>		
Bank loans	53.832	119
Prepayments received from customers	372.380	0
Trade payables	4.753.147	709
Income tax payable	165.368	641
Other payables	106.663	85
Total short term liabilities other than provisions	<u>5.451.390</u>	<u>1.554</u>
<b>Total liabilities other than provisions</b>	<b><u>5.451.390</u></b>	<b><u>1.554</u></b>
<b>Total equity and liabilities</b>	<b><u>12.677.293</u></b>	<b><u>8.320</u></b>

**2 Charges and security**

**3 Contingencies**

## Notes

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Amounts concerning 2022/23: DKK.

Amounts concerning 2021/22: DKK thousand.

	<u>2022/23</u>	<u>2021/22</u>
<b>1. Staff costs</b>		
Salaries and wages	2.690.329	2.212
Pension costs	342.728	153
Other costs for social security	<u>30.342</u>	<u>21</u>
	<b><u>3.063.399</u></b>	<b><u>2.386</u></b>
Average number of employees	<u>4</u>	<u>3</u>

## 2. Charges and security

There are no mortgage and securities.

For bank debts, DKK in thousands 54, the company has provided security in company assets representing a nominal value of DKK in thousands 2.000. This security comprises the below assets, stating the book values:

	<u>DKK in thousands</u>
Inventories	1.769
Trade receivables	4.523
Other fixtures and fittings, tools and equipment	11

## 3. Contingencies

### Contingent liabilities

	<u>DKK in thousands</u>
Total contingent liabilities	<u>563</u>

## Accounting policies

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The annual report for Flexray Medical ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

## Accounting policies

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### Income statement

#### **Gross profit**

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Costs of sales includes costs for the purchase of trade goods, discounts, and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration and premises.

#### **Staff costs**

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

#### **Depreciation, amortisation, and writedown for impairment**

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

#### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

### Statement of financial position

#### **Property, plant, and equipment**

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

## Accounting policies

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The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	5 years	0 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

### Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

### Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

## Accounting policies

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The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### Investments

#### Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

#### Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

#### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

## Accounting policies

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Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

### **Prepayments and accrued income**

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

### **Cash on hand and demand deposits**

Cash on hand and demand deposits comprise cash at bank.

### **Equity**

#### **Dividend**

Dividend expected to be distributed for the year is recognised as a separate item under equity.

### **Income tax and deferred tax**

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.