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Sarita CareTech ApS
Silkeborgvej 691
8220 Brabrand
Business Registration No
37155357

Annual report 01.04.2018 - 31.03.2019

The Annual General Meeting adopted the annual report on 18.06.2019

Chairman of the General Meeting

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Name: Dina Hoff Myrup Raabjerg

Contents

Entity details

Entity
Sarita CareTech ApS
Silkeborgvej 691
8220 Brabrand

Central Business Registration No (CVR): 37155357
Registered in: Aarhus
Financial year: 01.04.2018 - 31.03.2019

Board of Directors
Dina Hoff Myrup Raabjerg
Nicolai Kildegaard
Niels Birger Ramsing

Executive Board
Nicolai Kildegaard
Nikolaj Kjær Nielsen

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Sarita CareTech ApS for the financial year 01.04.2018 - 31.03.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.03.2019 and of the results of its operations for the financial year 01.04.2018 - 31.03.2019.

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.

Aarhus, 18.06.2019

Executive Board

Nicolai Kildegaard

Nikolaj Kjær Nielsen

Board of Directors

Dina Hoff Myrup Raabjerg

Nicolai Kildegaard

Niels Birger Ramsing

Independent auditor's extended review report

To the shareholders of Sarita CareTech ApS

Conclusion

We have performed an extended review of the financial statements of Sarita CareTech ApS for the financial year 01.04.2018 - 31.03.2019, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.03.2019 and of the results of its operations for the financial year 01.04.2018 - 31.03.2019 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements". We are independent of the Entity 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.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

Independent auditor's extended review report

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

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 extended review 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 extended review 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 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.

Aarhus, 18.06.2019

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Mads Fauerskov
State Authorised Public Accountant
Identification No (MNE) mne35428

Management commentary

Primary activities

The primary purpose of the company is to develop and sell electronic welfare technology devices and services.

Development in activities and finances

The financial performance of the year shows a loss of DKK -816k against a loss last year of DKK -64k.

Management considers the financial performance of the year to be unsatisfactory, but as expected.

During the financial year the company has undergone a conversion from an IVS to ApS.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2018/19

	Notes	2018/19 DKK	2017/18 DKK
Gross profit/loss		**(223.223)**	**241.881**
Staff costs	1	(1.146.101)	(341.559)
Depreciation, amortisation and impairment losses		(6.311)	(2.263)
Operating profit/loss		**(1.375.635)**	**(101.941)**
Other financial income		310.403	0
Other financial expenses		(11.712)	(21.067)
Profit/loss before tax		**(1.076.944)**	**(123.008)**
Tax on profit/loss for the year	2	260.902	59.099
Profit/loss for the year		**(816.042)**	**(63.909)**
Proposed distribution of profit/loss			
Retained earnings		(816.042)	(63.909)
		(816.042)	**(63.909)**

Balance sheet at 31.03.2019

	Notes	2018/19 DKK	2017/18 DKK
Development projects in progress		1.802.788	379.596
Intangible assets	3	**1.802.788**	**379.596**
Other fixtures and fittings, tools and equipment		13.601	5.772
Leasehold improvements		582	2.912
Property, plant and equipment	4	**14.183**	**8.684**
Fixed assets		**1.816.971**	**388.280**
Raw materials and consumables		69.823	6.169
Inventories		**69.823**	**6.169**
Trade receivables		7.500	0
Other receivables		14.116	200
Income tax receivable		313.102	83.511
Prepayments		4.603	101.540
Receivables		**339.321**	**185.251**
Cash		**2.881.074**	**691**
Current assets		**3.290.218**	**192.111**
Assets		**5.107.189**	**580.391**

Balance sheet at 31.03.2019

	Notes	2018/19 DKK	2017/18 DKK
Contributed capital		154.240	214
Reserve for development expenditure		1.406.175	296.085
Retained earnings		145.078	(624.983)
Equity		**1.705.493**	**(328.684)**
Deferred tax		105.000	52.800
Provisions		**105.000**	**52.800**
Debt to other credit institutions	5	1.918.340	0
Non-current liabilities other than provisions	6	**1.918.340**	**0**
Bank loans		0	336.452
Convertible and dividend-yielding debt instruments		850.000	300.000
Deposits		12.500	0
Prepayments received from customers		131.250	0
Trade payables		81.703	0
Payables to shareholders and management		133.954	133.954
Other payables		168.949	85.869
Current liabilities other than provisions		**1.378.356**	**856.275**
Liabilities other than provisions		**3.296.696**	**856.275**
Equity and liabilities		**5.107.189**	**580.391**
Assets charged and collateral	7		

Statement of changes in equity for 2018/19

	Contributed capital DKK	Share premium DKK	Reserve for development expenditure DKK
Equity beginning of year	214	0	296.085
Increase of capital	154.026	2.696.193	0
Transferred from share premium	0	(2.696.193)	0
Transfer to reserves	0	0	1.110.090
Profit/loss for the year	0	0	0
Equity end of year	**154.240**	**0**	**1.406.175**

	Retained earnings DKK	Total DKK
Equity beginning of year	(624.983)	(328.684)
Increase of capital	0	2.850.219
Transferred from share premium	2.696.193	0
Transfer to reserves	(1.110.090)	0
Profit/loss for the year	(816.042)	(816.042)
Equity end of year	**145.078**	**1.705.493**

Notes

	2018/19 DKK	2017/18 DKK
1. Staff costs		
Wages and salaries	1.906.704	314.922
Other social security costs	62.200	25.512
Other staff costs	29.655	1.125
Staff costs classified as assets	(852.458)	0
	1.146.101	**341.559**
Average number of employees	**8**	**5**

	2018/19 DKK	2017/18 DKK
2. Tax on profit/loss for the year		
Current tax	(313.102)	(83.511)
Change in deferred tax	52.200	52.800
Adjustment concerning previous years	0	(28.388)
	(260.902)	**(59.099)**

	Development projects in progress DKK
3. Intangible assets	
Cost beginning of year	379.596
Additions	1.423.192
Cost end of year	**1.802.788**
Carrying amount end of year	**1.802.788**

Development projects

Sarita Pearl

The Sarita Pearl is a personal, wearable call system specifically used in nursing homes and home care services to assist elderly in their everyday life. Actions are currently taken towards preparing the product for a consumer market. The product has been under development for 4 years, spanning over 4 revisions. Currently the physical product has a MRL of 6 for mass production. A mass manufacturable version of the product at MRL 9 is expected to be ready in Q3 2019.

Notes

At this time a stable and effective embedded software suite is expected to be ready.

Lighthouse
This is an online configuration and monitoring platform consisting of an App and a Web Interface, specifically designed for B2B markets. Both are intended to handle the setup and management of the Sarita Pearl, and other devices in the future. The project is finished in Q2 2019.

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
4. Property, plant and equipment		
Cost beginning of year	7.770	3.177
Additions	11.810	0
Cost end of year	**19.580**	**3.177**
Depreciation and impairment losses beginning of year	(1.998)	(265)
Depreciation for the year	(3.981)	(2.330)
Depreciation and impairment losses end of year	**(5.979)**	**(2.595)**
Carrying amount end of year	**13.601**	**582**

5. Long-term debt to other credit institutions
Long-term debt to other credit institutions consists of debt to Vækstfonden.

	Outstanding after 5 years DKK
6. Liabilities other than provisions	
Debt to other credit institutions	541.173
	541.173

Notes

7. Assets charged and collateral
Debt to Vækstfonden is secured by way of mortgage, which amounts to 2.000k of certain assets:

- Simple claims from selling goods and services
- Stocks of raw materials, semi-finished products and finished goods
- Inventory and operating equipment
- Goodwill, domain names and rights under the Patents Act, the Trade Marks Act, the Design Act, the utility model, the Copyright Act and law on the protection of semiconductor products design.

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 certain provisions for report-ing 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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of sales and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made 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 writedowns.

Accounting policies

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 writedowns of receivables recognised in current assets.

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

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, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income
Other financial income comprises interest income, net capital or exchange on payables and transactions in foreign currencies.

Other financial expenses
Other financial expenses comprise interest expenses and payables and transactions in foreign currencies.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet
Intellectual property rights etc
Intellectual property rights etc comprise development projects in progress with related intellectual property rights.

Development projects on 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.

Accounting policies

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

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 5 years.

Property, plant and equipment

Leasehold improvements, other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

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, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

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

Accounting policies

Income 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.

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 or the planned settlement of each liability. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, 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.

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

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.