
Dawn Health A/S

Sundkaj 153, 1., DK-2150 Copenhagen

Annual Report for 2022

CVR No. 37 68 32 64

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 28/4 2023

Alexander Mandix
Hansen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Dawn Health A/S for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Copenhagen, 28 April 2023

Executive Board

Daniel Gewecke Daugaard-Jensen
CEO

Board of Directors

Lars Marcher
Chairman

Jørn Larsen

John Rubek Lauritsen

Mads Lacoppidan

Independent Auditor's report

To the shareholder of Dawn Health A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Dawn Health A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, 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 Management's Review.

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.

Independent Auditor's report

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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 28 April 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Flemming Eghoff

State Authorised Public Accountant

mne30221

Company information

The Company	Dawn Health A/S Sundkaj 153, 1. DK-2150 Copenhagen CVR No: 37 68 32 64 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Lars Marcher, chairman Jørn Larsen John Rubek Lauritsen Mads Lacoppidan
Executive board	Daniel Gewecke Daugaard-Jensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Management's review

Key activities

The Company's activities consists of developing digital transformation strategies and digital disease interventions targeted at doctors and patients aiming to provide an improved disease course.

Development in the year

The income statement of the Company for 2022 shows a loss of DKK 11,803,159, and at 31 December 2022 the balance sheet of the Company shows negative equity of DKK 3,747,890.

Management has assessed the result of the year and sees it as aligned with the expectation in the budget and the strategy of the company. The investments made in the year shall ensure the company's growth and profitability in future years. The expectation is to continue to invest into these areas in future years. The company is part of the Dawn Health Group, which is well consolidated and has the liquidity to complete future investments until the company reaches a state of profitability.

Capital resources

The Company has at 31 December 2022 lost more than 50% of the nominal share capital, why the Company is subject to the rules of capital loss in the Danish Companies Act.

The management will observe Section 119 of the Danish Companies Act at the upcoming general meeting.

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	2022	2021
		DKK	DKK
Gross profit		47,157,389	27,485,645
Staff expenses	1	-57,520,637	-23,983,448
Depreciation and impairment losses of property, plant and equipment		-541,677	-326,442
Profit/loss before financial income and expenses		-10,904,925	3,175,755
Financial income	2	581,717	60,644
Financial expenses	3	-6,235,941	-556,891
Profit/loss before tax		-16,559,149	2,679,508
Tax on profit/loss for the year	4	4,755,990	-812,937
Net profit/loss for the year		-11,803,159	1,866,571

Distribution of profit

	2022	2021
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-11,803,159	1,866,571
	-11,803,159	1,866,571

Balance sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Completed development projects		8,451,873	0
Development projects in progress		13,480,187	0
Intangible assets	5	21,932,060	0
Other fixtures and fittings, tools and equipment		1,998,199	628,129
Leasehold improvements		233,480	10,052
Property, plant and equipment	6	2,231,679	638,181
Receivables from group enterprises		6,349,036	2,897,518
Deposits		3,083,443	394,772
Fixed asset investments		9,432,479	3,292,290
Fixed assets		33,596,218	3,930,471
Trade receivables		9,773,344	7,838,526
Contract work in progress	7	4,954,749	1,458,593
Receivables from group enterprises		90,796	0
Other receivables		86,711	408,010
Deferred tax asset		0	28,488
Corporation tax		4,825,053	0
Corporation tax receivable from group enterprises		878,288	0
Prepayments		2,707,073	572,443
Receivables		23,316,014	10,306,060
Cash at bank and in hand		80,565,642	125,618,653
Current assets		103,881,656	135,924,713
Assets		137,477,874	139,855,184

Balance sheet 31 December

Liabilities and equity

	Note	2022 DKK	2021 DKK
Share capital		404,211	404,211
Reserve for development costs		17,107,007	0
Retained earnings		-21,259,108	7,651,058
Equity		-3,747,890	8,055,269
Provision for deferred tax		918,863	0
Provisions		918,863	0
Payables to group enterprises		129,078,072	126,564,425
Long-term debt	8	129,078,072	126,564,425
Trade payables		4,825,029	1,054,163
Contract work in progress	7	0	306,648
Corporation tax		0	786,456
Other payables		6,403,800	3,088,223
Short-term debt		11,228,829	5,235,490
Debt		140,306,901	131,799,915
Liabilities and equity		137,477,874	139,855,184
Contingent assets, liabilities and other financial obligations	9		
Accounting Policies	10		

Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	404,211	0	7,651,058	8,055,269
Development costs for the year	0	17,107,007	-17,107,007	0
Net profit/loss for the year	0	0	-11,803,159	-11,803,159
Equity at 31 December	404,211	17,107,007	-21,259,108	-3,747,890

Notes to the Financial Statements

	2022	2021
	DKK	DKK
1. Staff Expenses		
Wages and salaries	53,104,465	21,609,020
Pensions	3,751,584	2,047,357
Other social security expenses	648,662	208,516
Other staff expenses	15,926	118,555
	<u>57,520,637</u>	<u>23,983,448</u>
 Average number of employees	 <u>76</u>	 <u>33</u>

	2022	2021
	DKK	DKK
2. Financial income		
Interest received from group enterprises	106,191	4,274
Other financial income	475,526	0
Exchange gains	0	56,370
	<u>581,717</u>	<u>60,644</u>

	2022	2021
	DKK	DKK
3. Financial expenses		
Impairment losses on financial assets	1,790,003	0
Interest paid to group enterprises	3,763,796	314,425
Other financial expenses	467,932	159,424
Exchange loss	214,210	83,042
	<u>6,235,941</u>	<u>556,891</u>

	2022	2021
	DKK	DKK
4. Income tax expense		
Current tax for the year	-5,703,341	786,456
Deferred tax for the year	947,351	26,481
	<u>-4,755,990</u>	<u>812,937</u>

Notes to the Financial Statements

5. Intangible fixed assets

	Completed development projects	Develop- ment projects in progress
	DKK	DKK
Cost at 1 January	0	0
Additions for the year	8,451,873	13,480,187
Cost at 31 December	<u>8,451,873</u>	<u>13,480,187</u>
Carrying amount at 31 December	<u>8,451,873</u>	<u>13,480,187</u>

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	1,379,880	14,200
Additions for the year	1,920,705	405,800
Disposals for the year	-59,425	-186,520
Cost at 31 December	<u>3,241,160</u>	<u>233,480</u>
Impairment losses and depreciation at 1 January	751,751	4,148
Depreciation for the year	499,170	42,507
Reversal of impairment and depreciation of sold assets	-7,960	-46,655
Impairment losses and depreciation at 31 December	<u>1,242,961</u>	<u>0</u>
Carrying amount at 31 December	<u>1,998,199</u>	<u>233,480</u>

Notes to the Financial Statements

	2022	2021
	DKK	DKK
7. Contract work in progress		
Selling price of work in progress	20,176,344	26,134,886
Payments received on account	<u>-15,221,595</u>	<u>-24,982,941</u>
	4,954,749	1,151,945
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	4,954,749	1,458,593
Prepayments received recognised in debt	<u>0</u>	<u>-306,648</u>
	4,954,749	1,151,945

8. 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:

	2022	2021
	DKK	DKK
Payables to group enterprises		
After 5 years	0	0
Between 1 and 5 years	<u>129,078,072</u>	<u>126,564,425</u>
Long-term part	129,078,072	126,564,425
Within 1 year	<u>0</u>	<u>0</u>
	129,078,072	126,564,425

	2022	2021
	DKK	DKK
9. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	4,935,000	904,147
Between 1 and 5 years	<u>5,346,250</u>	<u>0</u>
	10,281,250	904,147

Notes to the Financial Statements

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of for Dawn Holding ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

10. Accounting policies

The Annual Report of Dawn Health A/S for 2022 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.

In connection with the preparation of the financial statements, minor reclassifications have been made in the comparative figures. The regulations have no influence on either profit or equity.

The Financial Statements for 2022 are presented in DKK.

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.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

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

Income statement

Net sales

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Notes to the Financial Statements

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, marketing cost, travel cost, office expenses, etc.

Gross profit

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, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

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

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 deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Dawn Holding ApS. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Development projects

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 amortisation 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 5 year.

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	3-5 years
Leasehold improvements	5 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Other fixed asset investments

Other fixed asset investments consist of receivables from group enterprises and deposits.

Notes to the Financial Statements

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.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

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, including the tax base of tax loss carry-forwards, 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 receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

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