

CMC Finans ApS

Home address: Rådhusvej 13, 2920 Charlottenlund

CVR-number 37 70 11 49

Annual Report 2022

Financial year: 1 January - 31 December 2022

Approved at the annual general meeting of shareholders on 21 June 2023

Casper Hallas
chairman

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Company Information

The Company

CMC Finans ApS
Rådhusvej 13
2920 Charlottenlund

Municipality of reg. office: Gentofte

Secondary name of reporting entity

Denti ApS
Denti.dk ApS
Sundhed+ ApS
Sundhedplus ApS
Sundhedplus.dk ApS

Board of Directors

Claus Jørgensen, president
Kristoffer Ewald
Stefan Aergård Hansen

Executive Board

Casper Hallas

Auditors

Aaen & Co. statsautoriserede revisorer p/s
Kongevejen 3
3000 Helsingør

Date of foundation

27 April 2016

Financial Year

1 January – 31 December

Management's Review

The Company's business review and principal activities

CMC Finans ApS is a fintech company combining finance with excellent user experience to provide the best customer journey.

The company is connecting patients and healthcare professionals through two brands: Denti and Sundhed+. Today the two brands have merged into a single brand Sundhed+ (www.sundhedplus.dk).

The main activities are finance of healthcare treatments performed by healthcare professionals registered in the Health Service's Organizational Register 'SOR'. The settlement of invoices is done directly to the healthcare provider. As such, the company does not pay out cash to any borrower.

Company structure

CMC Finans ApS is the mother company of two 100% owned daughter companies:

CMC Development ApS; A company which develops and maintains the necessary IT solutions for CMC Finans ApS, to carry out the activities.

CMC Kredit ApS; The purpose for this company is to act as SPV (Special Purpose Vehicle) as a bankruptcy remote entity to separate funding of the loan book from the operations of the company.

Development in activities and financial position

During 2022 the company increased the capital base with 11,200,000 DKK.

Result

Loss for the year amounts to DKK -3,653,302 (2021: DKK -3,282,892) and equity amounts to DKK 8,689,547 as of 31 December 2022 (2021: DKK 1,142,849). The management considers the result as satisfactory and largely in line with expectations.

Customers

In the past year, the company has increased its lending by 92%.

Investments

The company has developed a platform for payments services and lead generation. In the reporting period investments were mainly in the new brand Sundhed+. Investments totaled DKK 4,250,000 for the year.

The platform is scalable for all types of healthcare treatments, and potentially also other sectors. The company expects to continue investments to take advantage of possible scalabilities. Also, geographical expansion outside Denmark is possible.

Further capital can come from capital increases and operations.

Management's Review

Outlook

The company expects to continue to increase the activities through sundhedplus.dk.

Events after the end of the reporting period

From the end of the reporting date, 31 December 2022 and until today, following events have occurred, which significantly affects the evaluation of this annual report.

CMC Finance ApS has since 2019 operated under a transitional arrangement, and finally on 24th of May 2023 got the license to operate as a consumer loan company by Danish Financial Supervisory Authority (DFSA).

Management's Statement on the Annual Report

The Board of Directors and The Executive Board have today discussed and approved the Annual Report 2022 of CMC Finans ApS.

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

In our opinion, the Annual Report gives a true and fair view of the Company's financial position at 31 December 2022 and the results of the Company's operations for the financial year 1 January - 31 December 2022.

In our opinion, the Management's review includes a fair review of the matters discussed in the Management review.

We recommend that the Annual Report will be approved at the annual general meeting.

Charlottenlund, 7 June 2023.

Executive Board

Casper Hallas

Board of Directors

Claus Jørgensen, president

Kristoffer Ewald

Stefan Agergård Hansen

The independent practitioner's report

To the shareholders of CMC Finans ApS:

Opinion

We have performed an extended review of the financial statements of CMC Finans ApS 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 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 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.

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 "Practitioner'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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements 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 conclusion.

Emphasis of matter

Material uncertainty related to going concern

Without modifying our opinion, we shall draw the attention to material uncertainty which can lead to considerable doubt regarding the going concern assumption. We refer to note 1 of the annual report which states that it is essential that the funding-partners of the company are willing to postpone payments on the short-term loans. The opinion of management is that the funding partners support this. Accordingly, the annual report is based upon the assumption that the company is indeed a going concern.

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.

The independent practitioner's report

Practitioner'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 in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

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 conclusion 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.

Elsinore, 7 June 2023

Aaen & Co. statsautoriserede revisorer p/s

Kongevejen 3, 3000 Helsingør - CVR nummer 33 24 17 63

Jesper Fenger Smidt
State Authorised Public Accountant
mne31476

Accounting Policies

Basis of accounting

The Annual Report of CMC Finans ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B. Management has chosen to follow certain rules from reporting class C.

The accounting policies applied by the company are consistent with those of last year.

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Reporting currency

The financial statements are presented in Danish kroner.

Recognition and measurement

Revenues are recognized in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities. Furthermore, all expenses incurred, including depreciation, amortization, and impairment losses, are recognized in the income statement.

Assets are recognized 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 recognized 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.

Certain financial assets and liabilities are measured at amortized cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortized cost is calculated as original cost less any deductions and with addition/deduction of the cumulative amortization of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement consider predictable losses and risks occurring before the presentation of the Annual Report, which confirm or invalidate affairs and conditions existing at the balance sheet date.

Income Statement

Gross profit

With reference to section 32 of the Danish financial statements act, the items "Revenue", "Other external expenses" and "Other operating income" are consolidated into one item designated "Gross profit".

Accounting Policies

Gross profit, continued

Net sales include interest and fees on dental loans. Income from the rendering of services is recognized as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (percentage-of-completion method). Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognized in revenue.

Direct costs include costs in the form of referral commissions that have been used to achieve revenue for the year.

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to sale, advertising, administration, premises, bad debts, etc.

Employee 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.

Financial income and expenses

Financial income and expenses are recognized in the income statement with the amounts relating to the financial year. Financial income and expenses comprise interest income and expenses, realized and unrealized exchange gains and losses concerning debt and transactions in foreign currencies as well as extra payments and repayment under the on-account taxation scheme.

Corporation tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognized in the income statement, whereas the portion that relates to transactions taken to equity is recognized in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Balance Sheet

Intangible assets

Completed development projects and development projects in progress are measured at cost price including accumulated depreciation. Completed development projects are amortized on a straight-line basis over the estimated economic useful life estimated at 8 years. The expected scrap value of completed development projects is 0%.

The cost of development projects includes costs, including salaries that can be directly and indirectly attributed to the development projects.

Accounting Policies

Investments in group entities

In the income statement, the proportionate share of the individual affiliates' profit after tax and full elimination of internal profit / loss and deduction of amortization of goodwill are recognized.

Investments in group entities are recognized in the balance sheet at the proportionate share of the companies' net asset value calculated in accordance with the parent company's applied accounting policies, with the deduction or addition of unrealized intra-group profits and losses with the addition or deduction of the residual value of positive or negative goodwill calculated by the acquisition method. .

Group companies with a negative net asset value are recognized at zero and any receivable from these companies is written down by the parent company's share of the negative net asset value, to the extent that it is deemed unsustainable. If the carrying amount of the carrying amount exceeds receivables, the remaining amount is recognized under provisions to the extent that the parent undertaking has a legal or actual obligation to cover the subsidiary's underbalance.

Net revaluation of investments in group companies is transferred under equity to the reserve for net revaluation using the equity method to the extent that the carrying amount exceeds the acquisition value less goodwill amortization.

Receivables

Receivables are measured at amortized cost, which usually corresponds to the nominal value. Provisions are made for bad debts because of objective evidence that a receivable or a group of receivables are impaired. Write-downs are made to the lower of the net realizable value and the carrying amount. Investments comprise rent deposits, which is measured at cost.

Deferred income assets

Deferred income assets recognized as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents

Cash and cash equivalents include cash and bank deposits.

Corporation tax and deferred tax

Current tax liabilities and current tax receivable are calculated tax on the taxable income for the year adjusted for tax on previous years' taxable income as well as for taxes paid on account. Corporate income tax is recognized in the balance sheet under "Corporate income tax" or "Corporate income tax receivable".

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. In cases, of concerning shares, where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured based on the intended use of the asset or settlement of the liability, respectively.

Accounting Policies

Corporation tax and deferred tax, continued

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 either realised, by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured based on 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 crystallised as current tax.

Debt

Other liabilities are measured at net realisable value.

Income Statement 1 January - 31 December

Note		2022	2021
	Gross profit	-3.684.715	-3.684.695
2	Employee expense	2.041.329	1.300.370
	Depreciations	23.500	23.500
	Profit (loss) from ordinary operating activities	-5.749.544	-5.008.565
6	Income from investments in group enterprises	-2.982.095	-1.465.670
3	Financial income	8.183.977	4.885.448
	Financial expenses	3.137.408	1.884.295
	Profit before tax	-3.685.070	-3.473.082
4	Tax expense on ordinary activities	-31.768	-190.190
	Profit for the year	-3.653.302	-3.282.892
Proposed distribution of results:			
	Other statutory reserves	-18.330	-18.330
	Retained earnings	-3.634.972	-3.264.562
	Profit for the year distributed	-3.653.302	-3.282.892

Balance 31 December**Assets**

Note		2022	2021
5	Completed development projects	89.180	112.680
	Intangible assets	89.180	112.680
6	Investments in group entities	23.929.690	23.845.314
	Long term Investments and receivables	23.929.690	23.845.314
	Non-current assets	24.018.870	23.957.994
	Receivables from group enterprises	54.198.772	16.891.464
	Other receivables	200	191
	Deferred income assets	28.864	28.380
	Short-term tax receivables	31.768	190.190
	Receivables	54.259.604	17.110.225
	Cash and cash equivalents	64.112	89.207
	Current assets	54.323.716	17.199.432
	Total assets	78.342.586	41.157.426

Balance 31 December**Liabilities**

Note		2022	2021
	Share capital	202.636	159.659
	Reserve for development expenditure	69.560	87.890
	Retained earnings	8.417.351	895.300
	Equity	8.689.547	1.142.849
	Holiday allowance liabilities, long-term	88.182	85.118
	Long-term debt	88.182	85.118
7	Trade payables	160.217	345.584
	Other payables	69.404.640	39.583.875
	Short-term debt	69.564.857	39.929.459
	Total debt	69.653.039	40.014.577
	Total liabilities and equity	78.342.586	41.157.426

- 1 Going Concern
- 8 Contingent liabilities
- 9 Collaterals

Equity Statement

	Share capital	Reserve for development expenditure	Retained earnings	Equity Total
Equity 1 January 2021	141.964	106.220	53.230	301.414
Capital increase	17.695	0	4.106.632	4.124.327
Profit of the year	0	-18.330	-3.264.562	-3.282.892
Equity 31 December 2021	159.659	87.890	895.300	1.142.849
Equity 1 January 2022	159.659	87.890	895.300	1.142.849
Capital increase	42.977	0	11.157.023	11.200.000
Profit of the year	0	-18.330	-3.634.972	-3.653.302
Equity 31 December 2022	202.636	69.560	8.417.351	8.689.547

Notes to the annual accounts

1 Going Concern

To ensure the company as a going concern in the coming year it is essential that the funding-partners of the company are willing to postpone payments on the short-term loans.

	2022	2021
2 Employee expenses		
Wages/salaries	1.958.251	1.281.907
Pensions	64.407	7.410
Other social security costs	18.671	11.053
Employee expense total	2.041.329	1.300.370
 Average number of employees	 5	 3
 3 Financial income		
Interest income, group entities	8.183.977	4.885.448
	8.183.977	4.885.448
 4 Tax expense on ordinary activities		
Tax on the taxable income of the year	-31.768	-190.190
	-31.768	-190.190

Notes to the annual accounts

	2022	2021
5 Completed development projects, intangible		
Cost at 1 January	188.000	188.000
Additions in the year	0	0
Desposals in the year	0	0
Cost at 31 December	188.000	188.000
Impairment losses and depreciation at 1 January	75.320	51.820
Amortisation/depreciation in the year	23.500	23.500
Reversal of amortisation and impairment of disposals	0	0
Impairment losses and depreciation at 31 December	98.820	75.320
Carrying amout at 31 December	89.180	112.680
6 Investments in group entities		
Cost at 1 January	24.208.118	24.208.118
Additions in the year	0	0
Desposals in the year	0	0
Cost at 31 December	24.208.118	24.208.118
Value adjustments at 1 January	-362.804	-346.318
Share of profit for the year	-2.982.095	-1.465.670
Loss limited to investment	3.066.471	1.449.184
Value adjustments at 31 December	-278.428	-362.804
Carrying amout at 31 December	23.929.690	23.845.314
Impairment of receivable	-3.066.471	-1.449.184
	-3.066.471	-1.449.184

Notes to the annual accounts

7 Other payables

Other payables consist of debt to funding partners, which is total of DKK 69,172,601 out of the amount of other payables DKK 69,404,640.

8 Contingent liabilities

The company acts as a management company for jointly taxed Danish affiliated companies. The company is jointly and severally liable with other jointly taxed companies in the Group for the payment of withholding tax and corporation tax.

9 Collaterals

Funding partners who have paid funding to finance the underlying loan book have prorata security in the shares of CMC Kredit ApS.

Casper Hallas

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Claus Jørgensen
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Tidspunkt for underskrift: 23-06-2023 kl.: 15:15:08
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Stefan Agergård Hansen

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Casper Hallas

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