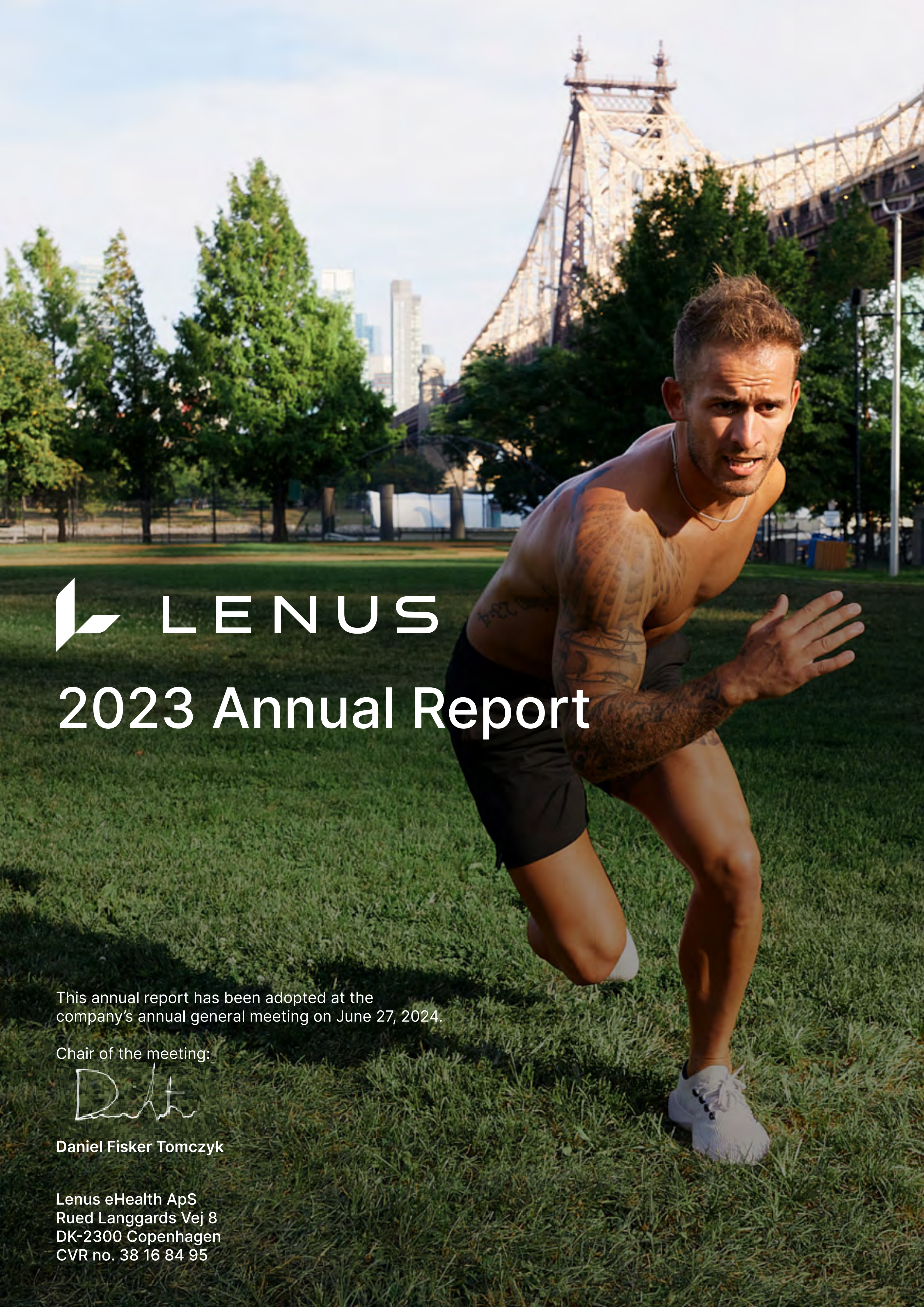


# LENUS

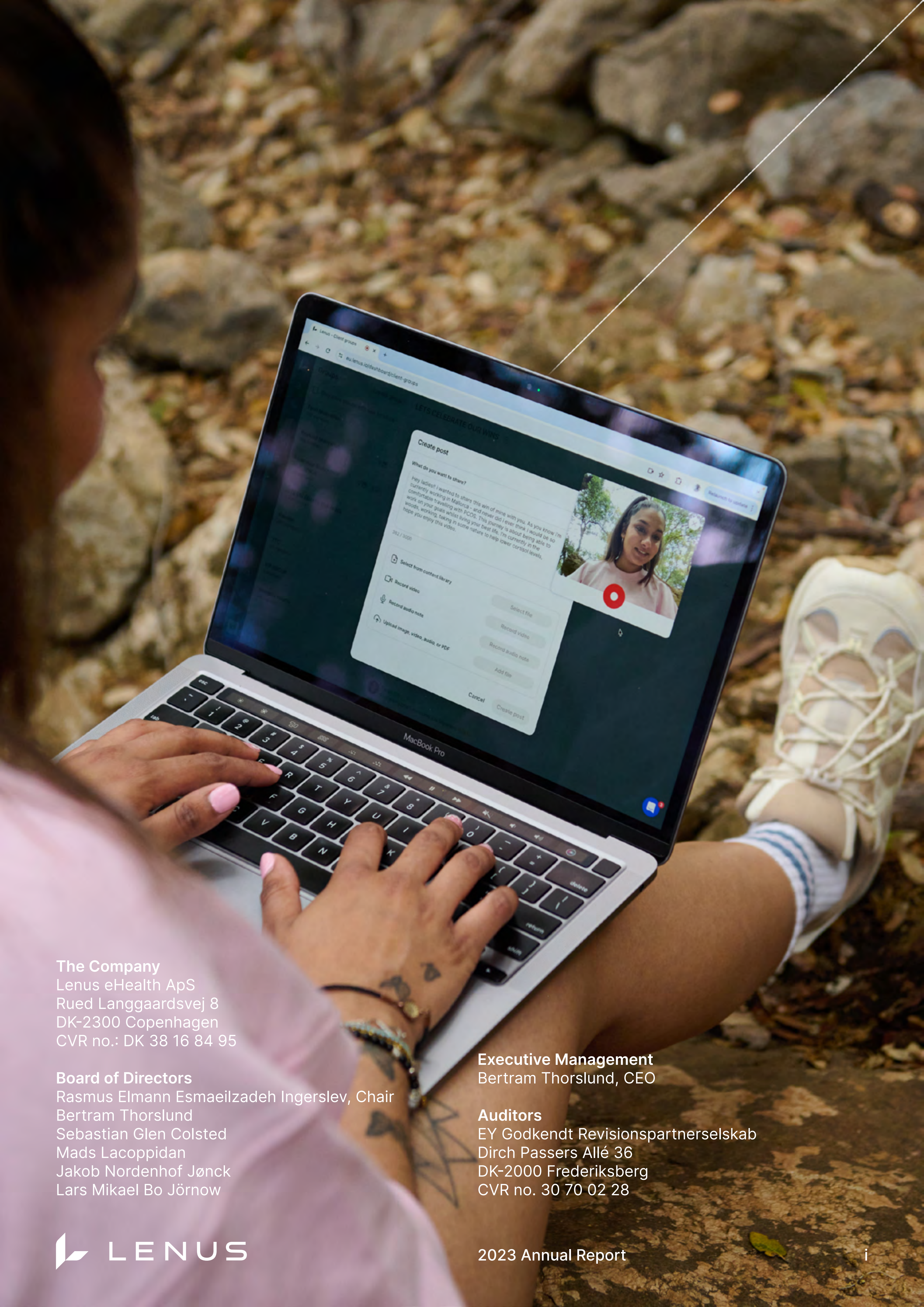
# 2023 Annual Report

This annual report has been adopted at the company's annual general meeting on June 27, 2024.

Chair of the meeting:

**Daniel Fisker Tomczyk**

Lenus eHealth ApS
Rued Langgards Vej 8
DK-2300 Copenhagen
CVR no. 38 16 84 95




**The Company**
Lenus eHealth ApS
Rued Langgaardsvej 8
DK-2300 Copenhagen
CVR no.: DK 38 16 84 95

**Board of Directors**
Rasmus Elmann Esmaeilzadeh Ingerslev, Chair
Bertram Thorslund
Sebastian Glen Colsted
Mads Lacoppidan
Jakob Nordenhof Jønck
Lars Mikael Bo Jörnow

**Executive Management**
Bertram Thorslund, CEO

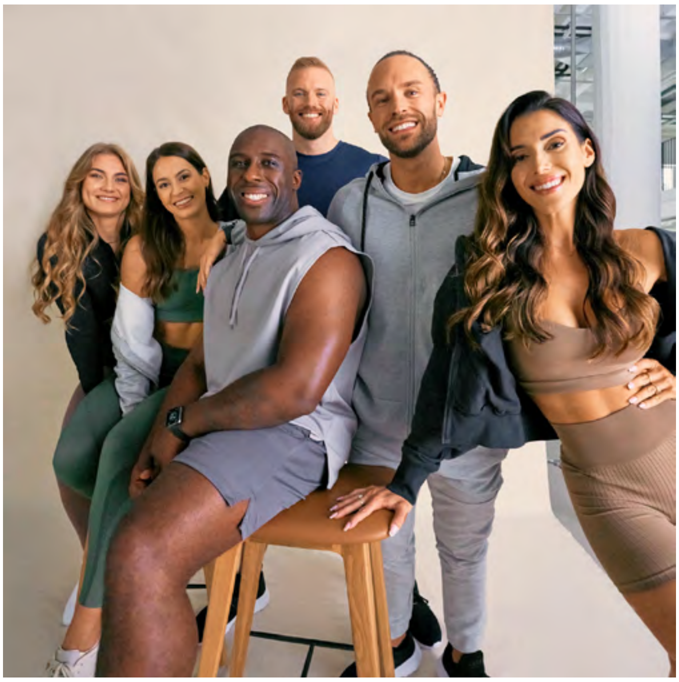
**Auditors**
EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
DK-2000 Frederiksberg
CVR no. 30 70 02 28

# Index

# Management's review

**On a mission to improve global health**
Over the past decades, our lifestyles have become increasingly unhealthy, and more sedentary. Consequently, a growing number of people are struggling with decreased quality of life, mental health disorders as well as obesity, and several other lifestyle diseases. In addition, it is placing a significant burden on our healthcare system and shortening people's life.

At Lenus, we are dedicated to reversing this trend. Lifestyle diseases are preventable and can be remedied by general health promotion and health behavior change. We believe that prevention is more effective than treatment and that a holistic approach that connects physical-, mental, and social- health is essential for lasting health behavior change. We see holistic online health coaching as the key to addressing global health challenges and are committed to developing a new generation of health coaches equipped to promote sustainable lifestyle changes.



**A health coaching revolution**
Research indicates that health coaching is an effective way to improve health outcomes and facilitate health behavior change. Despite its effectiveness, coaching remains a scarce and costly resource, with most coaches limited to 20 clients per month without a platform. However, a growing body of scientific evidence supports the effectiveness of remote, digital delivery of health coaching.

To capture this opportunity, we have developed the Lenus platform, which allows health coaches from various disciplines to leverage a holistic approach to health promotion. Our streamlined platform enhances efficiency through automation, enabling coaches to connect more deeply with their clients, scale their businesses, and help more people lead happier, healthier lives.

Our features are developed, designed, and tested in close collaboration with our in-house health science team, which includes experts in nutrition, physical exercise, psychology, physiotherapy, and medicine.

We aim to support and educate the new generation of health coaches, driving forward a holistic health coaching revolution.

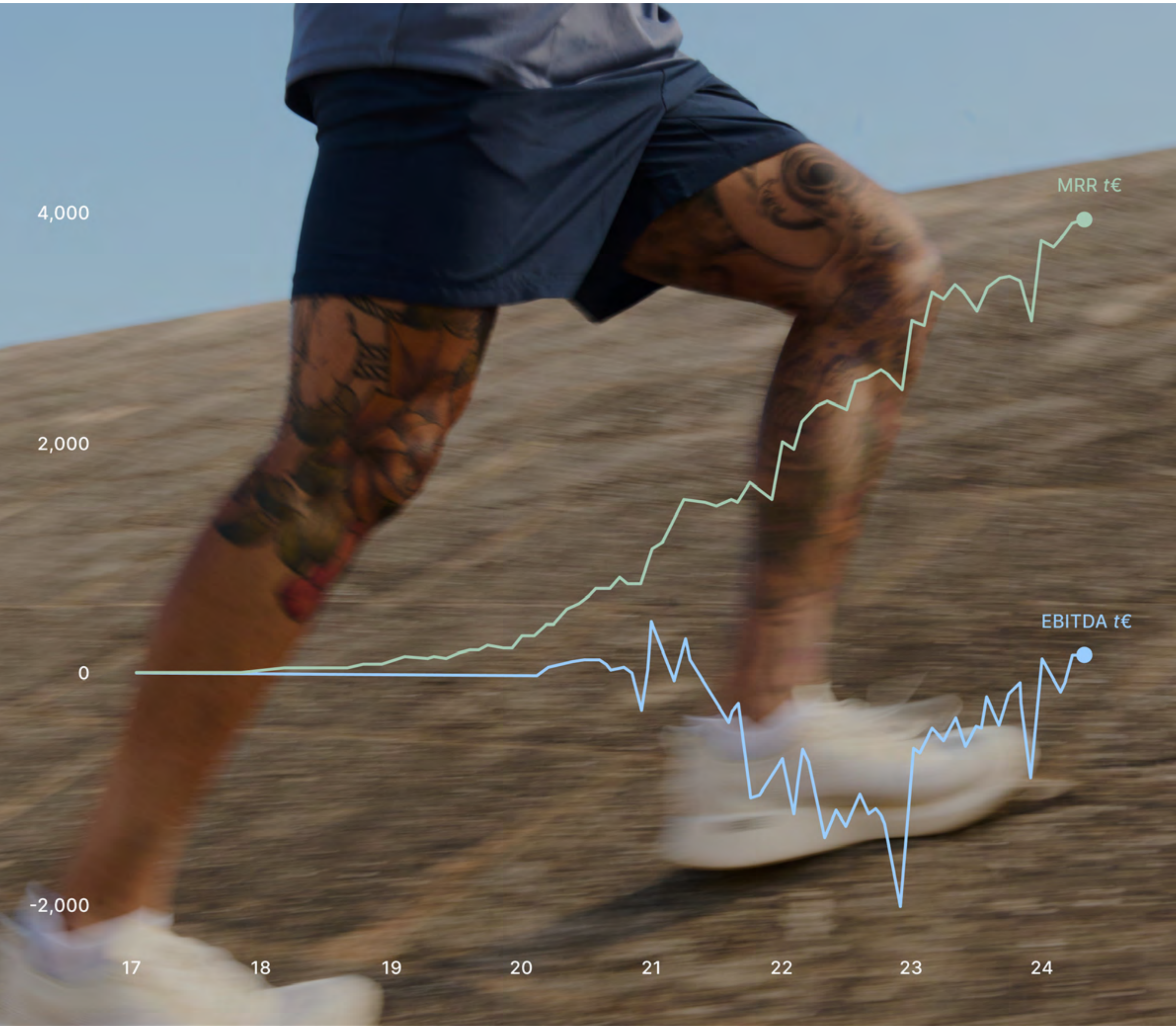
**Fine-tuning operations and consolidating market presence**
The successful market entries into the US in 2021, and Finland, Norway, Netherlands and Spain in 2022, and the latest Canada in early 2023 marked the conclusion of our expansion phase following the successful Series-A investment in 2021.

As the expansion targets have been achieved, the focus of the management team has gradually turned towards fine-tuning operations and consolidating market presence to prove organic and profitable growth in current markets.

This strategic direction was further reinforced in 2023 with a strong emphasis on operating costs and increasing the efficiency and return on commercial investments made since the Series A, thus laying the ground for the next phase of market expansion to be kicked-off when timing is deemed optimal.

**Innovation and pushing industry standards**
Throughout the change of speed on the market expansions, we have continued to innovate and elevate industry standards by finalizing a conceptual framework for coaching with a holistic approach, incorporating comprehensive modules on sleep, mental health, and overall well-being.

Additionally, we have developed the Lenus Academy that focuses on educating health coaches, enhancing their ability to support and guide clients towards healthier lifestyles effectively. Through these initiatives, we are equipping our coaches with the latest knowledge and tools to deliver exceptional, well-rounded online health coaching.




**Steering through market volatility towards sustainable growth**

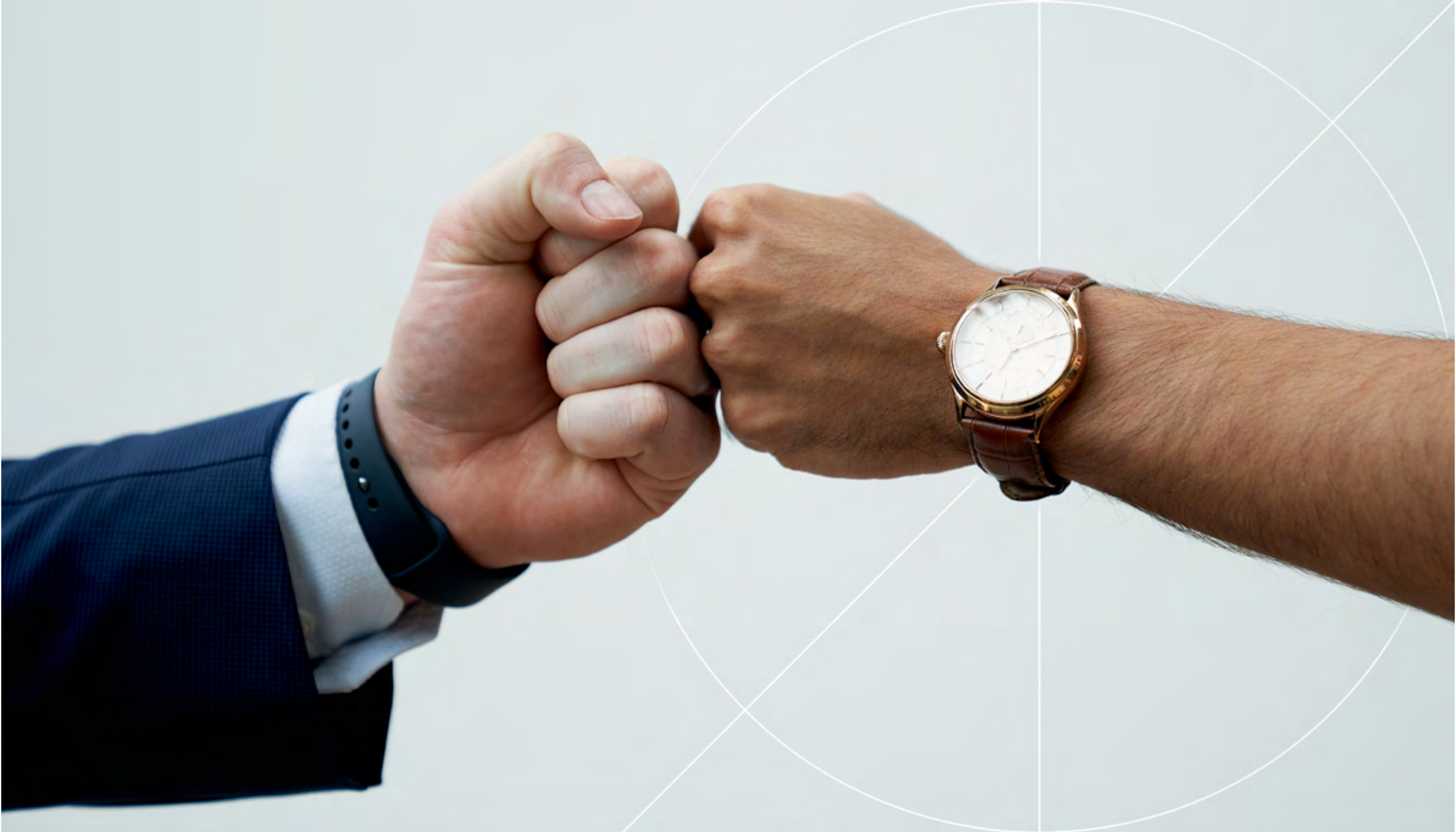
Our shift towards profitable growth has aligned well with the increased market volatility seen in 2023. The focus on cost and efficiency optimization has proven successful, and as a result, Lenus is on track to achieve positive EBITDA margins and become cash flow neutral in 2024.

The adaptability to economic uncertainties underscores Lenus' ability to drive market expansions and growth initiatives in bullish market conditions on the one hand. And on the other hand, our agile operational framework allows us to pivot towards sustainable growth strategies, ensuring resilience in the face of market volatility.

**Looking towards 2024 with new investors**

As we look towards 2024, we are excited to build on our 2023 momentum with the support of new purpose-driven investors, including EIFO, Sagitta, and DeichmannMedia. Their commitment reinforces our mission and provides us with the resources to further innovate, expand, and elevate industry standards.

Together with our new investors, we are confident in our ability to make significant strides in improving global health, empowering more coaches, and transforming the lives of countless individuals.



| **Key Figures** | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| COMPREHENSIVE INCOME, TEUR | | | | | |
| Revenue | 40,006 | 29,840 | 18,248 | 7,188 | 2,492 |
| Operating profit/loss | -7,669 | -26,991 | -8,962 | -143 | 125 |
| Profit/loss before tax | -7,778 | -26,024 | -8,532 | -213 | 110 |
| Net result | -8,040 | -26,074 | -7,384 | -227 | 74 |
| BALANCE SHEET, TEUR | | | | | |
| Assets | 29,292 | 24,675 | 46,688 | 5,336 | 1,933 |
| Investments in property, plant and equipment | 3,796 | 398 | 15 | 120 | 8 |
| Equity | 15,351 | 9,869 | 37,046 | 1,936 | 416 |
| Invested capital | 8,802 | 10,741 | 13,292 | 1,113 | 193 |
| FINANCIAL RATIOS, % | | | | | |
| Return on invested capital | -78.49 | -223.36 | -124.43 | -21.92 | 225.29 |
| Profit ratio | -20.10 | -87.38 | -42.93 | -3.16 | 2.97 |
| Return on equity | -63.76 | -106.38 | -40.18 | -19.29 | 12.77 |
| Solvency ratio | 52.41 | 40.00 | 79.37 | 36.28 | 21.50 |

## Definition of balance sheet

INVESTED CAPITAL
*Trade receivables + Other receivables - Trade payables + Technology and Customer base + Property, Plant and Equipment+Deposits*

## Definition of financial ratios

RETURN ON INVESTED CAPITAL
*Operation profit/loss x 100*
*Average invested capital*

RETURN ON EQUITY
*Net result x 100*
*Average equity*

PROFIT RATIO
*Net result x 100*
*Revenue*

SOLVENCY RATIO
*Equity x 100*
*Assets*

**Financial review**
The net result for the financial year 2023 was a loss of EUR 8,040 thousand compared to a loss of EUR 26,074 thousand in 2022.

The revenue growth in 2023 matched the expectation expressed in the annual report for 2022 and was based on a continuation of the strong growth in our current markets in Europe and in the US and Canada. Due to a strong focus on cost and resource management we managed to deliver a significantly improved net loss of EUR 8m in 2023 vs the expected net loss of EUR 13-20m expressed in the annual report for 2022. Thus, leaving a stronger than expected cash balance for 2024.

**Cost of sales**
Costs of sales expenses totaled EUR 9,718 thousand in 2023 compared to EUR 2,699 thousand in 2022. The increase was mainly due to a reclassification of salary costs in 2023 from S&M to costs of sales with a direct impact of EUR 5,313 thousand. Comparatively such reclassification would have amounted to EUR 4,059 thousand in 2022, thus comparable cost of sales in 2022 would have been 6,758 thousand versus EUR 9,718 thousand in 2023.

**Research and development costs**
Research and development expenses totaled EUR 4,789 thousand in 2023 compared to EUR 8,512 thousand in 2022. The decrease was mainly due to 2023 being the first year where R&D expenses related to development of the Lenus platfrom have been capitalized. R&D expenses comprise salaries to R&D personnel, allocated overheads and amortization charges directly attributable to development activities.

**Sales and marketing expenses**
Sales and marketing expenses totaled EUR 17,660 thousand in 2023 compared to EUR 25,848 thousand in 2022. The decrease was mainly due to a reclassification of salary costs in 2023 from S&M to costs of sales with a direct impact of EUR 5,313 thousand and focus on efficiency optimization.

**General and administrative expenses**
General and administrative expenses totaled EUR 15,508 thousand in 2023 compared to EUR 13,377 thousand in 2022. The increase is mainly due to higher activity levels in the US market in 2023.

**Financial items**
Net financials totaled an income of EUR -109 thousand in 2023 compared to an income of EUR 967 thousand in 2022. Financial expenses primarily cover foreign exchange losses and interest expenses.

**Income tax**
Income tax totaled EUR -262 thousand in 2023 compared to EUR -50 thousand in 2022.

**Statement of financial position**
As of December 31, 2023, the group had a cash balance of EUR 15,331 thousand compared to EUR 10,902 thousand as of December 31, 2022. The decrease in cash results from capital contributions less the cash burn during the year.

As of December 31, 2023, equity amounted to EUR 15,351 thousand compared with EUR 9,869 thousand as of December 31, 2022. The increase mainly reflects the capital increase during the year.

**Cash flow**
Net cash flow from operating activities amounted to an outflow of EUR 1,897 thousand in the year ended December 31, 2023 compared to EUR 14,879 thousand in the year ended December 31, 2022. Net cash flow from operating activities is attributable primarily to the initiation of sales and marketing activities, as well as general and administrative expenses.

Net cash flow from investing activities amounted to an outflow of EUR 3,838 million in the year ended December 31, 2023 compared to EUR 2,398 thousand in the year ended December 31, 2022. Investing activities comprise investment in property plant and equipment.

Net cash flow from financing activities amounted to an influx of EUR 10,377 thousand in the year ending December 31, 2023 compared to an outflow of EUR 2,910 thousand in the year ended December 31, 2022. Financing activities comprise cash contributions from shareholders related to increase of share capital and lease payments.

**Distribution of profit**
The Board of Directors proposes that the loss for the year is transferred to retained earnings.

**Subsequent events**
No material events have arisen between the reporting date and the date of publication of the annual report that have not already been included in this annual report or have a material effect on the assessment of the Group's and the Company's financial position.

**Outlook**
In 2024 we will continue to pursue growth in our existing markets, while we also keep investing in our platform. As a result, we expect to generate healthy growth in our annual recurring revenue towards a level of EUR 45-50 million in 2024. In 2024 Lenus will continue balancing growth and profitability and will expect a net loss in the range of between EUR 0 and EUR 5 million for the entire year.

# Statement by the Board of Directors and the Executive Management on the annual report

The Board of Directors and the Executive Management have today considered and adopted the Annual Report of Lenus eHealth ApS for the financial year January 1 – December 31, 2023 and the comparative figures for the financial year January 1 – December 31, 2022.

The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union and additional disclosure requirements of the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at December 31, 2023 and the comparative figures at December 31, 2022 and of the results of the Group's and Parent Company's operations and cash flows for the financial year January 1 – December 31, 2023 and the comparative figures for the financial year January 1 – December 31, 2022.

In our opinion, the Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

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

Copenhagen
June 26, 2024

**Executive Management**

Bertram Thorslund

**Board of Directors**

Rasmus E. E. Ingerslev
Chair

Bertram Thorslund

Sebastian Glen Colsted

Jakob Nordenhof Jønck

Lars Mikael Bo Jörnow

Mads Lacoppidan

**Independent auditor's report**

**To the shareholders of Lenus eHealth ApS**

**Opinion**

We have audited the consolidated financial statements and the parent company financial statements of Lenus eHealth ApS for the financial year 1 January – 31 December 2023, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent Company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2023 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the Group 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.

**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 assurance conclusion thereon.

In connection with our audit 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 audit, 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 our procedures, 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 of the Management's review.

**Management's responsibilities for the financial statements**

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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 Group's and the Parent 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 Group or the Parent Company or to cease operations or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Copenhagen, June 26, 2024

EY
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kennet Hartmann
State Authorised Public Accountant
mne40036

Anders Knudsen
State Authorised Public Accountant
mne49064

## Consolidated income statement and statement of comprehensive income

| Note | | 2023 TEUR | 2022 TEUR |
|---|---|---|---|
| 4 | Revenue | 40,006 | 29,840 |
| 5 | Costs of sales | -9,718 | -2,699 |
| | **Gross profit** | **30,287** | **27,141** |
| 6, 7, 11 | Research and development costs | -4,789 | -8,512 |
| 6, 7, 11 | Sales and marketing expenses | -17,660 | -25,848 |
| 6, 7, 11 | General and administrative expenses | -15,508 | -13,377 |
| 10 | Impairment of goodwill | 0 | -6,395 |
| | **Operating profit/loss** | **-7,669** | **-26,991** |
| | | | |
| 8 | Financial income | 340 | 1,328 |
| 9 | Financial expenses | -449 | -361 |
| | **Profit/loss before tax** | **-7,778** | **-26,024** |
| | | | |
| 15 | Tax for the year | -262 | -50 |
| | **Net profit/loss for the period** | **-8,040** | **-26,074** |
| | | | |
| | Exchange differences on the translation of foreign operations, net of tax | -39 | 132 |
| | **Other comprehensive income for the year, net of tax** | **-39** | **132** |
| | **Total comprehensive income** | **-8,079** | **-25,942** |
| | | | |
| | **Net income attributable to:** | | |
| | Owners of the Parent Company | -8,040 | -26,074 |
| | **Total** | **-8,040** | **-26,074** |
| | | | |
| | **Total comprehensive income attributable to:** | | |
| | Owners of the Parent Company | -8,079 | -25,942 |
| | **Total** | **-8,079** | **-25,942** |

## Consolidated balance sheet

| Note | | 2023 TEUR | 2022 TEUR | January 1, 2022 TEUR |
|---|---|---|---|---|
| | **ASSETS** | | | |
| | *Non-current assets* | | | |
| 10 | Goodwill | 0 | 0 | 6,397 |
| 10 | Technology and Customer base | 1,735 | 2,733 | 3,727 |
| 10 | Completed development projects | 391 | 0 | 0 |
| 10 | Development projects in progress | 1,187 | 0 | 0 |
| 11 | Property, plant and equipment | 3,958 | 6,086 | 2,141 |
| | Deposits | 1,743 | 1,702 | 1,220 |
| | **Total non-current assets** | **9,014** | **10,521** | **13,484** |
| | *Current assets* | | | |
| 12 | Trade receivables | 3,976 | 2,543 | 850 |
| 15 | Corporation tax receivable | 5 | 8 | 764 |
| | Other receivables | 206 | 216 | 303 |
| 13 | Prepayments | 760 | 485 | 185 |
| | Cash and cash equivalents | 15,331 | 10,902 | 31,101 |
| | **Total current assets** | **20,278** | **14,154** | **33,203** |
| | **TOTAL ASSETS** | **29,292** | **24,675** | **46,688** |
| | **EQUITY AND LIABILITIES** | | | |
| | *Equity* | | | |
| 14 | Share capital | 9 | 9 | 9 |
| | Retained earnings | 15,242 | 9,721 | 37,030 |
| | Currency translation reserve | 100 | 139 | 7 |
| | **Total equity** | **15,351** | **9,869** | **37,046** |
| | *Non-current liabilities* | | | |
| 16 | Lease liabilities | 2,628 | 4,994 | 3,061 |
| | Debt to shareholders | 0 | 0 | 944 |
| | Provisions for deferred tax | 382 | 607 | 821 |
| | **Total non-current liabilities** | **3,010** | **5,601** | **4,826** |
| | *Current liabilities* | | | |
| 16 | Lease liabilities | 3,330 | 3,636 | 855 |
| | Debt to shareholders | 0 | 944 | 944 |
| | Prepayments from customers | 76 | 36 | 0 |
| | Trade payables | 4,393 | 2,536 | 1,343 |
| | Other provisions for liabilities | 784 | 0 | 0 |
| 15 | Corporation tax payable | 292 | 286 | 95 |
| | Other payables and accruals | 2,056 | 1,766 | 1,578 |
| | **Total current liabilities** | **10,931** | **9,204** | **4,816** |
| | **Total liabilities** | **13,941** | **14,805** | **9,642** |
| | **TOTAL EQUITY AND LIABILITIES** | **29,292** | **24,675** | **48,688** |

## Consolidated statement of changes in equity

| | Note | Share capital TEUR | Share premium TEUR | Retained earnings TEUR | Currency translation reserve TEUR | Total TEUR |
|---|---|---|---|---|---|---|
| **Equity as of January 1, 2022** | | **9** | **0** | **37,030** | **7** | **37,046** |
| Net profit/loss for the period | | 0 | 0 | -26,074 | 0 | -26,074 |
| Other comprehensive income for the period | | 0 | 0 | 0 | 132 | 132 |
| Total comprehensive income | | 0 | 0 | -26,074 | 132 | -25,942 |
| Share-based payment expense | 7 | 0 | 0 | 282 | 0 | 282 |
| Purchase of own shares | | 0 | 0 | -1,517 | 0 | -1,517 |
| **Equity as of December 31, 2022** | | **9** | **0** | **9,721** | **139** | **9,869** |

| | Note | Share capital TEUR | Share premium TEUR | Retained earnings TEUR | Currency translation reserve TEUR | Total TEUR |
|---|---|---|---|---|---|---|
| **Equity as of January 1, 2023** | | **9** | **0** | **9,721** | **139** | **9,869** |
| Net profit/loss for the period | | 0 | 0 | -8,040 | 0 | -8,040 |
| Other comprehensive income for the period | | 0 | 0 | 0 | -39 | -39 |
| Total comprehensive income | | 0 | 0 | -8,040 | -39 | -8,079 |
| Capital increase | | 0 | 13,171 | 0 | 0 | 13,171 |
| Transfer to retained earnings | | 0 | -13,171 | 13,171 | 0 | 0 |
| Share-based payment expense | 7 | 0 | 0 | 512 | 0 | 512 |
| Transaction costs | | 0 | 0 | -121 | 0 | -121 |
| Purchase of own shares | | 0 | 0 | 0 | 0 | 0 |
| **Equity as of December 31, 2023** | | **9** | **0** | **15,242** | **100** | **15,351** |

## Consolidated cash flow statement

| | Note | 2023 TEUR | 2022 TEUR |
|---|---|---|---|
| **Operating activities** | | | |
| Profit/loss for the year | | -8,040 | -26,023 |
| Reversal of non-paid financial income | 8 | -340 | -1,328 |
| Reversal of non-paid financial expenses | 9 | 449 | 361 |
| Depreciation, amortization and impairment | 11 | 5,345 | 11,175 |
| Tax on profit of the year | | 262 | 0 |
| Other non-cash items | | 0 | 147 |
| *Adjustments to reconcile loss before tax to cash flows from operating activities* | | | |
| Share-based payment expense | 7 | 512 | 282 |
| Change in trade receivables | | -1,433 | -1,695 |
| Change in other receivables | | 10 | 86 |
| Change in prepayments | | -275 | -300 |
| Change in prepayments from customers | | 40 | 36 |
| Change in trade payables | | 1,858 | 1,188 |
| Change in other payables and accruals | | 290 | 182 |
| Change in debt to shareholders | | -944 | -944 |
| Change in other provisions for liabilities | | 784 | 0 |
| Cash flows from taxes | 15 | -479 | 683 |
| Interest received | | 340 | 4 |
| Interest paid | 9 | -277 | 1,267 |
| **Net cash flow used in operating activities** | | **-1,897** | **-14,879** |
| | | | |
| **Investing activities** | | | |
| Investment in non-current assets | 11 | -3,796 | -398 |
| Investment in subsidiary | | 0 | 0 |
| Purchase of own shares | | 0 | -1,518 |
| Deposits | | -42 | -482 |
| **Net cash flow used in investing activities** | | **-3,838** | **-2,398** |
| | | | |
| **Financing activities** | | | |
| Capital contributions from shareholders | 14 | 13,050 | 0 |
| Lease payment | | -2,673 | -2,910 |
| **Net cash provided by financing activities** | | **10,377** | **-2,910** |
| | | | |
| **Net change in cash and cash equivalents** | | **4,641** | **-20,187** |
| Net foreign exchange differences | | -212 | -12 |
| Cash and cash equivalents at the beginning of the period | | 10,902 | 31,101 |
| **Cash and cash equivalents at the end of the period** | | **15,331** | **10,902** |

**Consolidated notes**

1. Accounting policies
2. Significant accounting judgments, estimates and assumptions
3. Standards issued but not yet effective
4. Revenue from contracts with customers
5. Costs of sales
6. Employee benefit expenses
7. Share-based compensation expenses
8. Financial income
9. Financial expenses
10. Intangible assets
11. Property, plant and equipment
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13. Prepayments
14. Shareholders' Equity
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17. Capital management
18. Contractual obligations and contingencies
19. Related party disclosures
20. Subsequent events

## Consolidated notes

### Corporate information

Lenus eHealth ApS (the "Company") is a private limited liability company incorporated and domiciled in Denmark. The registered office of Lenus eHealth ApS is Rued Langgaards Vej 8, 2300 Copenhagen.

The consolidated financial statements for the year end December 31, 2023 were authorised for approval at the Annual General Meeting to be held on June 27, 2024, with a resolution of the Board of Directors on June 26, 2024.

### 1. Accounting policies

#### Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, or IFRS, as adopted by the European Union and further requirements in the Danish Financial Statements Act applying to medium-sized reporting class C enterprises.

The consolidated financial statements have been prepared on a historical cost basis except for share-based payment.

The accounting policies have been applied consistently in the financial year and comparative figures with expection of presentation currency.

#### Change in presentation currency

In 2023, the presentation currency of Lenus eHealth Group's consolidated financial statements has changed from Danish Kroner to Euro to align with market expectations. To reduce the potential for foreign exchange volatility in our future reported earnings, the Board determined that, with effect from 1 January 2023, Lenus eHealth Group will present its results in Euro. The functional currency is Danish Kroner.

Accordingly, to satisfy the requirements of IAS 21 *The Effects of Changes in Foreign Exchange Rates*, the reported results for the year ended 31 December 2022 has been translated from Danish Kroner to Euro. A change in presentation currency represents a change in accounting policy under IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* which is accounted for retrospectively.

The consolidated financial statements are presented in EUR. All values are rounded to the nearest thousand EUR where indicated.

#### Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries. Subsidiaries are those entities which are controlled by Lenus eHealth ApS. Lenus eHealth ApS controls an investment when Lenus eHealth ApS is exposed, or has rights, to variable returns from its involvement with the investment and has the ability to affect those returns through its power over the investment.

The financial statements of subsidiaries are consolidated from the date when control commences until the date when control ceases. The financial statements of subsidiaries are prepared for the same accounting period as Lenus eHealth ApS uses consistent accounting policies.

On consolidation, intercompany balances, income, expenses, unrealized gains, and losses resulting from intercompany transactions are eliminated.

#### Foreign currency

*Translation of foreign currency*

On initial recognition, transactions denominated in foreign currencies are translated at the foreign exchange spot rate at the transaction date. Differences arising between the foreign exchange spot rates at the transaction date and the date of payment are recognized in the income statement as financial income or financial expenses.

**1. Accounting policies** – continued –

Receivables, payables, and other monetary items denominated in foreign currencies are translated at the foreign exchange spot rates at the balance sheet date. The difference between the foreign exchange spot rates at the balance sheet date and the date at which the balance was recognized is recognized in the income statement as financial income or financial expenses.

*Group companies*

The assets and liabilities of foreign operations are translated into the presentation currency at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at the monthly average exchange rates, unless the exchange rates fluctuate significantly in which case, the exchange rate at the date of transaction is applied. The exchange differences arising on translation for consolidation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that foreign operation is recognized in the statement of profit or loss.

*Business combinations*

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other net assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- Fair values of the assets transferred.
- Liabilities incurred to the former owners of the acquired business.
- Contingent consideration is measured at fair value at the date of acquisition as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair market value at each reporting date.
- Equity interests issued by the group are measured at fair value according to the most recent valuation report prepared by a valuation firm.
- Contingent consideration which are not considered part of the business combination (e.g. renumeration depending on employment) are measured separately in line with other liabilities.

Identifiable assets, liabilities, and contingent liabilities of acquired businesses are measured initially at fair values at the acquisition date. Acquisition-related costs are expensed as incurred. The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill.

**Financial instrument valuation hierarchy**

Financial instruments recognized at fair value are allocated to one of the following valuation hierarchy levels:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Techniques that use inputs that have a significant effect on the recorded fair value and that are not based on observable market data.

Management assessed that cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

*Current versus non-current classification*

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading or

**1. Accounting policies** – continued –

- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle
- held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period
  or
- there is an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Income Statement and Other Comprehensive Income**

*Revenue*

In general, the Group's revenue from contracts with customers is recognised when control is transferred to the customer at an amount that reflects the consideration to which Lenus eHealth expects to be entitled in exchange for those services. Revenue is recognised only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on the relative standalone selling price. Taxes assessed by a governmental authority that are both imposed on, and concurrent with, a specific revenue producing transaction and collected by the Group from customers (for example, sales, use, value added, and some excise taxes) are not included in revenue.

Revenue is mainly derived from access to the LPS Platform, sale of services and sale of personalized websites.

<u>LPS Platform access</u>
Lenus developed LPS, a digital platform, to support fitness coaches facilitate preparation and distribution of specific diet- and work-out plans, track and communicate with their customers

The Group's revenue is generated by selling a right to access the LPS Platform. The software of the LPS Platform is owned, delivered and managed by Lenus eHealth, and applied by users on a subscription basis. The customers never gain control over the LPS Platform but gain access to the LPS Platform.

Performance obligation for access to the LPS Platform is satisfied over time. The Company considers revenue to be highly probable, and therefore recognises revenue, once the performance obligation has been satisfied and payment has been received.

For products such as diet plans and workout plans sold to end users through independent fitness coaches, control is transferred upon delivery, based on the contract terms and legal requirements.

<u>Sales support services</u>
Services include sales support to customers acting as agents and arranging for the provision of fitness services on behalf of customers. Therefore, Lenus eHealth's net revenue from services consists of the commission income, which is recognised in the income statement, when the service has been delivered.

## Consolidated notes

**1. Accounting policies** – continued –

Lenus eHealth determined that it is an agent in the contracts, as Lenus does not control the goods and service before they are being transferred to end users, and Lenus eHealth does not have discretion to set the prices for the goods and services.

Onboarding and websites services
Sale of websites and onboarding includes development and personalization of websites for customers. The website is owned by Lenus eHealth during the development, but control and ownership are transferred to the customer, once the website is completed.

Lenus eHealth recognises revenue from the sale of websites at a point in time when the website is completed and ownership thereof is transferred to the customer.

*Cost of sales*

Cost of sales consists of direct costs associated with the offering, salaries and related expenses of operations and technical support personnel.

*Employee benefits*

Employee benefits primarily somprise salaries, share-based payment and pension. The cost of these benefits is recognized as an expense as services are delivered. The Group's contributions to the employee pension plan have not been material.

*Share-based payment*

Management of the Group receives remuneration in the form of equity settled awards whereby services are rendered as consideration for warrants. The fair value of these equity-settled awards is determined at the date of grant resulting in a fixed fair value at grant date that is not adjusted for future changes in the fair value of the equity awards that may occur over the service period. Fair value of warrants is determined using the Black Scholes Model.

The cost of share-based payments is recognized as an expense together with a corresponding increase in equity over the period in which the performance and/or service conditions are fulfilled. In the event that equity instruments are granted conditionally upon an equal number of equity instruments granted in prior periods not being exercised, they are treated as a new grant for the current period and a modification of the equity instruments granted in the prior period.

The fair value of equity-settled awards is reported as compensation expense pro rata over the service period to the extent, such awards are estimated to vest. No cost is recognized for awards that do not ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the holder. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

*Research and development costs*

Research and development costs include salaries and costs arising from research and development activities and rent associated with facilities used for research and development purposes. The Group has expensed all such cost though the statement of loss and comprehensive loss for the periods presented.

**1. Accounting policies** – continued –

*Sales and marketing expenses*

Sales and marketing expenses include salaries, costs arising from the distribution of the Group's services including expenses related to marketing activities and rent associated with facilities used for sales activities.

*General and administrative expenses*

General and administrative expenses include salaries for administrative staff and management, costs of share-based payment and rent associated with facilities not used for research purposes.

*Financial income and expense*

Financial income and expense include interest income and expense, gains and losses due to changes in foreign exchange rates, allowances and surcharges related to the advance payment of tax, and other miscellaneous items relating to financial income and expense.

*Income tax benefit*

The income tax for the period comprises current tax and deferred tax, including prior-year adjustments and changes in provisions for uncertain tax positions. Tax is recognized in the income statement, except to the extent that it relates to items recognized in equity or in other comprehensive income.

Current tax payables and receivables are recognized in the balance sheet as a receivable in the event of prepayments and amounts due.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where the tax value can be determined according to alternative tax rules, deferred tax is measured on the basis of the planned use of the asset or the settlement of the obligation.

Deferred tax assets are measured at the value at which they are expected to be utilized, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities. Deferred tax assets are set off within the same legal tax entity and jurisdiction.

**Assets**

*Goodwill*

Goodwill arises from the acquisition of subsidiaries and represents the excess of the consideration transferred over the group's interest in net fair value of the net identifiable assets, liabilities, and contingent liabilities of the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGU's, or groups of CGU's, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

*Technology and Customer base*

Separately acquired technology, customer base, and brand are shown at the cost per the business combination Accounting.

**1. Accounting policies** – continued –

Technology and customer base have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of technology and customer base over their estimated useful lives of 4 years.

*Capitalized R&D projects*

Development costs comprise expenses, salaries and amortisation charges directly attributable to development activities.

Development projects that are clearly defined and identifiable and where the technical feasibility, sufficient resources and a potential future market or development potential are evidenced, and where the Parent Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well as development costs. Other development costs are recognised in the income statement as incurred. Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

There are no indirect costs related to the development projects.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 3 years.

Development costs and internally accumulated rights are recognised in the income statement as costs in the year of acquisition.

*Property, plant and equipment*

Property, plant and equipment includes leasehold improvements, fixtures, fittings and right-of-use assets, and is measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use. Depreciation is calculated on a straight-line basis over the expected useful lives of the underlying assets. The residual values of equipment are not material. The useful life of and method of depreciation of equipment are reviewed by Management at least each year-end or more often based on changes in facts and circumstances. Changes in useful lives or residual values are adjusted prospectively as changes in accounting estimates.

Property, plant and equipment is required to be tested for impairment when there are indications of impairment. Impairment tests are conducted at the individual asset level, or at the lowest level for which separately identifiable cash flows for groups of assets exist. Impaired assets or asset groups are written down to their recoverable amount, which is the higher of the value in use and the net realizable value of the asset or asset group, with impairment charges allocated proportionately to the assets within the impaired asset group.

*Leases*

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in a separate line in the balance sheet.

*Short-term leases and leases of low-value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

*Deferred tax*

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities, with the exception of temporary differences occurring at the time of acquisition and liabilities neither effecting the result of operation nor the taxable income.

*Deposits*

Deposits for property leased by the Group are measured at amortized cost.

**Financial assets**

*Classification and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequently, the Group measures its financial assets held based on the following measurement categories:

- Those to be measured at fair value through profit or loss,
- Those to be measured at amortised cost, and
- Those to be measured at fair value through other comprehensive income.

The classification is based on the company business model for managing the assets and the contractual terms of the cash flows. The classification and measurement of the Group's financial assets are, as follows:

*Receivables*
Receivables from customers and other receivables are designated as receivables and are initially measured at fair value or transaction price and subsequently measured in the balance sheet at amortized cost, which generally corresponds to nominal value less expected credit loss provision. This is consistent with prior periods' classification.

**1. Accounting policies** – continued –

*Impairment*

The Group records an allowance for expected credit losses for all loans and other debt financial assets not held at fair value through profit and loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

For receivables from customers and other receivables, the Group has applied the standard simplified approach and has calculated expected credit losses based on lifetime expected credit losses. The provision for expected credit losses was not significant given that the Group has no history of credit losses and the nature of the Group's customers.

*Prepayments*

Prepayments include expenditures related to future financial periods and are measured at nominal value.

*Cash and cash equivalents*

Cash includes cash at hand and in banks, as well as short-term marketable securities that are subject to an insignificant risk of changes in value.

**Equity**

Direct and incremental costs associated with capital increases are accounted for as a reduction in the proceeds from the capital increase and recognized in shareholders' equity.

The translation reserve in the consolidated financial statements comprises foreign-exchange differences arising on the translation of financial statements of group entities from their local foreign currencies to the presentation currency used by the Group (EUR). On the disposal, entirely or partially, of a Group entity, the exchange-rate adjustment is recognized in profit or loss as a portion of the gain/loss on the sale.

**Financial liabilities**

Historically, the Group's financial liabilities included lease liabilities, trade payables and other payables.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the income statement.

*Trade payables*

Trade payables relate to the Group's purchase of products and services from various vendors in the normal course of business.

*Other payables*

Other payables are measured at net realizable value.

**1. Accounting policies** – continued –

**Subsequent events**

If the Group receives information after the reporting period, but prior to the date of the Board of Directors' approval of the financial statements, about conditions that existed at the end of the reporting period, the Group assesses whether the information affects the amounts recognised in the financial statements. The Group will adjust the amounts recognised in the financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in the light of the new information.

For non-adjusting events after the reporting period, the Group will not change the amounts recognised in the financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

**Statement of cash flows**

The statement of cash flows is presented using the indirect method and shows cash flows resulting from operating activities, investing activities, financing activities and the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows used in operating activities primarily comprise the net profit for the year adjusted for non-cash items, such as foreign exchange gains and losses, depreciation, changes in working capital and cash received regarding interest and taxes.

Cash flows from investing activities primarily comprise investment in property, plant and equipment.

Cash flows from financing activities comprise repayment of debt and proceeds from capital increases net of transaction costs.

## 2. Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities as well as the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

### Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, Management has made the following judgments and estimates that have the most significant effect on the amounts recognized in the financial statements. Refer to the following notes for more details:

- Goodwill
- Business combinations
- Deferred tax assets
- Development projects
- Estimation of share-based compensation expenses (note 6)

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are listed below. The Group based its assumptions and estimates on information available when the financial statements were prepared.

### Impairment testing of goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations.

### Judgement regarding accounting for development costs

Intangible assets arising from development projects should be recognised in the balance sheet. The criteria that must be met for capitalisation are:

- The Group has the technical feasibility to complete the intangible asset so that it will be available for use or sale
- The Group intends to complete the intangible asset and use or sell it
- The Group has the ability to use or sell the intangible asset
- The intangible asset will generate probable future economic benefits. Among other things, the Group must demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset
- Adequate technical, financial and other resources must be available to complete the development and to use or sell the intangible asset
- The Group is able to reliably measure the expenditure attributable to the intangible asset during its development.

Such an intangible asset should be recognised if sufficient certainty can be documented that the future income from the development project will exceed the aggregate cost of production, development, and sale and administration of the product. The Group capitalises all development costs following above requirement.

Lenus capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At December 31, 2023, the carrying amount of capitalized development costs was EUR 1,577 thousand (2022: 0).

**2. Significant accounting judgments, estimates and assumptions** – continued –

**Estimation of share-based compensation expenses**

The calculated fair value and subsequent compensation expenses for the share-based compensation is subject to significant assumptions and estimates. The fair value of warrants granted is calculated using the Black-Scholes option pricing model.

The key assumptions applied in determining fair value have been:
- Expected volatility
- Estimated market share-price at grant year
- Expected future dividend yield per share
- Expected life of warrants in years
- Annual risk-free interest rate.

The expected volatility is based on peer group data and reflects the assumption that the historical volatility over a period similar to the life of the warrants is indicative of future trends, which may not necessarily be the actual outcome. The peer group consists of companies, which Management believes are similar to the Group in respect of similarity of product, geography and maturity.

The estimated market share-price at grant year has, wherever possible, been determined as the implied fair value, which can be derived from the subscription price in the most recent and relevant capital increase round prior to granting the warrants. Where no capital increase has been carried out, at grant date, a fair value was estimated by considering a number of factors such as inflection points, valuations between independent parties etc.

The Parent Company does not expect to pay dividend in the foreseeable future.

The annual risk-free interest rate is based on a Danish government bond with the same maturity as the expected life of the warrants.

The fair value of each warrant is based on unobservable input (level 3). The assumptions applied in determining fair value have been:

| | June 2023 | July 2023 |
|---|---|---|
| **Key assumptions applied in Black-Scholes pricing model** | | |
| Expected volatility (%) | 45% | 45% |
| Expected future dividend yield per share (%) | - | - |
| Annual risk-free interest rate (%)* | 3,1 | 3,1 |

| Estimated market share-price at grant year | Share price (EUR)* | Expected life of warrants in years* |
|---|---|---|
| June, 2023 | 1,708 | 4 |
| July, 2023 | 1,647 | 4 |

** Share price, expected life of warrants and annual risk-free interest rate (%) are based on the weighted average of different scenarios. If the Parent Company's shares are to be listed on a stock exchange or another regulated market, the warrants are exercisable prior to the listing.*

## Consolidated notes

### 3. Standards issued but not yet effective

Lenus has adopted relevant new or amended standards and interpretations as adopted by the EU and which are effective for the financial year 1 January – 31 December 2023. Lenus has assessed that the new or amended standards and interpretations have not had any material impact on Lenus' Annual Report in 2023.

At the date of authorisation of these financial statements, the Group has assessed the new and revised IFRS Standards that have been issued but are not yet effective. Based on the current business setup, none of the new standards or interpretations are expected to have a material impact on the Group's Annual Report.

### 4. Revenue from contracts with customers

The Group's revenues are mainly derived from the LPS Platform and sale support services to fitness coaches. The Group's primary customers include fitness coaches.

Lenus eHealth ApS registered office is located in Denmark. The tables below present revenue by geographical areas, type of service and timing of revenue recognition:

| | 2023<br>TEUR | 2022<br>TEUR |
|---|---|---|
| *Service* | | |
| LPS platform access | 32,474 | 23,253 |
| Sales support services | 6,819 | 5,126 |
| Onboarding and website services | 599 | 1,461 |
| Other revenue | 114 | 0 |
| **Total revenue** | **40,006** | **29,840** |
| | | |
| *Geographical area* | | |
| Europe | 27,053 | 24,359 |
| North America | 11,820 | 4,924 |
| Rest of the world | 1,133 | 557 |
| **Total revenue** | **40,006** | **29,840** |
| | | |
| *Timing of revenue recognition* | | |
| Revenue recognized at a point in time | 7,532 | 6,637 |
| Revenue recognized over time | 32,474 | 23,203 |
| **Total revenue** | **40,006** | **29,840** |

## 4. Revenue from contracts with customers – continued –

*Summary of key performance obligations related to revenue streams*

Below, the key performance obligations regarding the LPS Platform and sales support services are summarized.

| Revenue streams | Performance obligations | When performance obligations are met and the timing of satisfaction of performance obligations | Significant payment terms | Nature of goods and services promised | The allocation of transaction price to performance obligations |
|---|---|---|---|---|---|
| LPS Platform access | The Group typically satisfies its performance obligation over time. | The Group considers revenue to be highly probable once the performance obligation has been satisfied and payment has been received. | The consideration is usually fixed. | Providing access to the LPS Platform. | The transaction prices are stand-alone selling prices of the respective promised access. |
| Sales support services | The Group typically satisfies its performance obligation upon delivery of the service. | The Group's net revenue from services consists of a commission income, which is recognized, when the service has been delivered. | The consideration is usually fixed. | Sales support services to customers acting as agents and arranging for the provision of fitness service on behalf of customers. | The transaction prices are stand-alone selling prices of the respective promised service. |
| Onboarding and websites services | The Group typically satisfies its performance obligation upon delivery of the website | The Group recognizes revenue from the sale of websites and onboarding once control and ownership are transferred. | The consideration is usually fixed. | Sale of personalized websites and onboarding to customers. | The transaction prices are stand-alone selling prices of the respective promised service. |

## Consolidated notes

### 5. Costs of sales

Costs of sales expenses totaled EUR 9,718 thousand in 2023 compared to EUR 2,699 thousand in 2022. The increase was mainly due to a reclassification of salary costs in 2023 from S&M to costs of sales with a direct impact of EUR 5,313 thousand. Comparatively such reclassification would have amounted to EUR 4,059 thousand in 2022, thus comparable cost of sales in 2022 would have been 6,758 thousand versus EUR 9,718 thousand in 2023.

### 6. Employee benefit expenses

| | 2023<br>TEUR | 2022<br>TEUR |
|---|---|---|
| **Staff costs** | | |
| Wages/salaries | 28,763 | 32,369 |
| Share-based compensation expenses (note 6) | 512 | 282 |
| Pension costs | 839 | 350 |
| Other social security costs | 2,006 | 725 |
| **Total staff costs** | **32,120** | **33,726** |
| | | |
| Average number of employees during the year | 374 | 392 |
| | | |
| Total staff costs are included in the income statement as follows: | | |
| Research and development costs | 2,710 | 5,182 |
| Sales and marketing expenses | 13,555 | 19,487 |
| General and administrative expenses | 9,903 | 8,108 |
| Cost of sales | 5,952 | 949 |
| **Total staff costs** | **32,120** | **33,726** |

The amounts disclosed in the table above are the amounts recognized as an expense during the reporting periods.

With reference to section 98b, (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

No remuneration was paid to the Board of Directors during the financial years 2023 and 2022.

### 7. Share-based compensation expenses

The Group has issued warrants to a member of the Board of Directors and employees. The warrants can be settled by subscribing for shares of Lenus eHealth ApS at an exercise price of EUR 3,81 per share. Vesting period is in the range of 1 – 4 years.

The table below summarizes the activity related to the warrants for the 12-months period ended December 31, 2023 and the 12-months period ended December 31, 2022:

**7. Share-based compensation expenses** – continued –

| | Executive Management | Employees | Board of Directors | Total warrants |
|---|---|---|---|---|
| **Outstanding at January 1, 2022** | **0** | **615** | **293** | **908** |
| Granted | 0 | 0 | 0 | 0 |
| Forfeited | 0 | -206 | 0 | -206 |
| Exercised | 0 | 0 | 0 | 0 |
| **Outstanding at December 31, 2022** | **0** | **409** | **293** | **702** |
| Granted | 0 | 1,097 | 0 | 1,097 |
| Forfeited | 0 | 0 | 0 | 0 |
| Exercised | 0 | 0 | 0 | 0 |
| **Outstanding at December 31, 2023** | **0** | **1,506** | **293** | **1,799** |

The weighted average remaining contractual life of the warrants outstanding as of December 31, 2023 and December 31, 2022 was 9 years and 8 years, respectively.

The weighted average exercise prices of the warrants outstanding as of December 31, 2023 and December 31, 2022 were 3,81 EUR and EUR 0,13, respectively.

*Share-based compensation recognised in the income statement:*

| | 2023 TEUR | 2022 TEUR |
|---|---|---|
| Research and development costs | 0 | 0 |
| Sales and marketing expenses | 468 | 237 |
| General and administrative expenses | 45 | 45 |
| **Total share-based compensation recognized in the income statement** | **513** | **282** |

For further details regarding significant estimates made by Management, while measuring the fair value of share-based compensation, reference is made to note 2.

**8. Financial income**

| | 2023 TEUR | 2022 TEUR |
|---|---|---|
| Foreign exchange gain | 0 | 1,327 |
| Other | 340 | 1 |
| **Total financial income** | **340** | **1,328** |

**9. Financial expenses**

| | 2023 TEUR | 2022 TEUR |
|---|---|---|
| Foreign exchange losses | 172 | 3 |
| Interest expenses, lease liabilities | 277 | 302 |
| Other | 0 | 56 |
| **Total financial expenses** | **449** | **361** |

**10. Intangible assets**

| | Goodwill<br>TEUR | Technology and Customer base<br>TEUR | Completed development projects<br>TEUR | Development projects in progress<br>TEUR | Total<br>TEUR |
|---|---|---|---|---|---|
| Cost at January 1, 2022 | 6,397 | 3,975 | 0 | 0 | 10,372 |
| Exchange rate adjustment | 0 | 0 | 0 | 0 | 0 |
| Additions | 0 | 0 | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 | 0 | 0 |
| Cost at January 1, 2023 | 6,397 | 3,975 | 0 | 0 | 10,372 |
| Exchange rate adjustment | 0 | -9 | 0 | 0 | -9 |
| Additions | 0 | 0 | 0 | 1,656 | 1,656 |
| Transfer | 0 | 0 | 469 | -469 | 0 |
| Disposals | 0 | 0 | 0 | 0 | 0 |
| Cost at December 31, 2023 | 6,397 | 3,966 | 469 | 1,187 | 12,019 |
| | | | | | |
| Accumulated depreciation at January 1, 2022 | 0 | 248 | 0 | 0 | 248 |
| Exchange rate adjustment | 3 | 0 | 0 | 0 | 3 |
| Depreciation expense | 0 | 993 | 0 | 0 | 993 |
| Write-down | 6,395 | 0 | 0 | 0 | 6,395 |
| Disposals | 0 | 0 | 0 | 0 | 0 |
| Accumulated depreciation at January 1, 2023 | 6,397 | 1,242 | 0 | 0 | 7,638 |
| Exchange rate adjustment | 0 | -3 | 0 | 0 | -3 |
| Depreciation expense | 0 | 992 | 78 | 0 | 1,070 |
| Write-down | 0 | 0 | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 | 0 | 0 |
| Accumulated depreciation at December 31, 2023 | 6,397 | 2,231 | 78 | 0 | 8,706 |
| | | | | | |
| Total net carrying value at: | | | | | |
| December 31, 2022 | 0 | 2,733 | 0 | 0 | 2,733 |
| December 31, 2023 | 0 | 1,735 | 391 | 1,187 | 3,313 |
| | | | | | |
| Depreciated over | | 4 years | 3 years | | |
| Remaining period | | 1.75 years | 2.6 years | | |

Goodwill, technology, and customer base relates to the acquisition of Zenfit in September 2021.

## Consolidated notes

**10. Intangible assets** – continued –

*Impairment test of Goodwill*

Goodwill is monitored by management at group level. Goodwill relates to the acquisition of Zenfit in September 2022.

The group tests whether goodwill has suffered any impairment on an annual basis. Goodwill was fully impaired in 2022. The recoverable amount of the CGU is determined based on the Discounted Cash Flow Method. The Discounted Cash Flow Method involves value-in-use calculations which require the use of assumptions. The calculations use forecasted cash flow for a period of 7 years approved by management until the company reaches a steady state. Cash flows beyond this period are extrapolated using the estimated growth rate stated below. Long term growth rate and discount rate used in the value-in-use calculations are as follows: An estimate was made of the future net free cash flow based on a forecast approved by Management. The growth rate in the forecast period and the long-term growth rate is based on past experience and future expectations to the current business model. The discount rate used in determining the value in use is determined based on the weighted average cost of capital (WACC). The group applied a long-term growth rate of 2.5 % based on the expected long-term inflation in Denmark and a WACC of 18.5%.

*Technology amd Customer base expense*

Technology and Customer base expense is included in the income statement as follows:

| | 2023<br>TEUR | 2022<br>TEUR |
|---|---|---|
| Cost of sales | 0 | 0 |
| Research and development costs | 490 | 491 |
| Sales and marketing expenses | 502 | 503 |
| General and administrative expenses | 0 | 0 |
| **Total depreciation expense** | **992** | **993** |

*Capitalized R&D projects expense*

Capitalized R&D projects expense is included in the income statement as follows:

| | 2023<br>TEUR | 2022<br>TEUR |
|---|---|---|
| Cost of sales | 0 | 0 |
| Research and development costs | 78 | 0 |
| Sales and marketing expenses | 0 | 0 |
| General and administrative expenses | 0 | 0 |
| **Total depreciation expense** | **78** | **0** |

**11. Property, plant and equipment**

| | Leasehold improvements TEUR | Fixtures and fittings, other plant and equipment TEUR | Right-of-use assets TEUR | Total TEUR |
|---|---|---|---|---|
| Cost at January 1, 2022 | 23 | 385 | 4,037 | 4,445 |
| Exchange rate adjustment | 0 | 0 | -150 | -150 |
| Additions | 122 | 276 | 7,706 | 8,104 |
| Disposals | 0 | 0 | -471 | -471 |
| Cost at January 1, 2023 | 145 | 661 | 11,122 | 11,928 |
| Exchange rate adjustment | 0 | 0 | -55 | -55 |
| Additions | 167 | 37 | 2,319 | 2,523 |
| Disposals | -21 | 0 | -1,952 | -1,973 |
| Cost at December 31, 2023 | 291 | 698 | 11,434 | 12,422 |
| | | | | |
| Accumulated depreciation at January 1, 2022 | 4 | 108 | 2,192 | 2,304 |
| Exchange rate adjustment | 0 | -3 | -45 | -48 |
| Depreciation expense | 12 | 186 | 2,465 | 2,663 |
| Write-down | 0 | 0 | 1,193 | 1,193 |
| Disposals | 0 | 0 | -270 | -270 |
| Accumulated depreciation at January 1, 2023 | 16 | 291 | 5,535 | 5,842 |
| Exchange rate adjustment | 0 | 0 | 2 | 2 |
| Depreciation expense | 69 | 204 | 3,220 | 3,494 |
| Write-down | 0 | 0 | 0 | 0 |
| Disposals | -21 | 0 | -852 | -874 |
| Accumulated depreciation at December 31, 2023 | 64 | 495 | 7,905 | 8,464 |
| | | | | |
| Total net carrying value at: | | | | |
| December 31, 2022 | 129 | 370 | 5,586 | 6,086 |
| December 31, 2023 | 226 | 203 | 3,529 | 3,958 |
| | | | | |
| Depreciated over | 5 years | 3-5 years | 1-5 years | |
| Remaining period | 2 years | 1.5 years | 2.5 years | |

*Right-of-use assets*
The Group has entered into a lease agreement for its offices in Denmark, Sweden, Germany, the United Kingdom, Spain, Norway, Finland and USA.

For 2023 and 2022, the Group recognized an expense of EUR 4,544 thousand and EUR 1,375 respectively, relating to short-term leases and leases of low value assets.

**11. Property, plant and equipment** – continued –

*Leasehold improvements expense*

Leasehold improvements expense is included in the income statement as follows:

| | 2023<br>TEUR | 2022<br>TEUR |
|---|---|---|
| Cost of sales | 4 | 1 |
| Research and development costs | 25 | 4 |
| Sales and marketing expenses | 14 | 3 |
| General and administrative expenses | 27 | 4 |
| **Total leasehold improvements expense** | **70** | **12** |

*Fixtures and fittings, other plant and equipment expense*

Fixtures and fittings, other plant and equipment expense is included in the income statement as follows:

| | 2023<br>TEUR | 2022<br>TEUR |
|---|---|---|
| Cost of sales | 31 | 6 |
| Research and development costs | 45 | 47 |
| Sales and marketing expenses | 56 | 76 |
| General and administrative expenses | 72 | 57 |
| **Total fixtures and fittings, other plant and equipments expense** | **204** | **186** |

*Right-of-use-assets expense*

Right-of-use-assets expense is included in the income statement as follows:

| | 2023<br>TEUR | 2022<br>TEUR |
|---|---|---|
| Cost of sales | 938 | 99 |
| Research and development costs | 161 | 644 |
| Sales and marketing expenses | 1,718 | 2,040 |
| General and administrative expenses | 403 | 875 |
| **Total right-of-use-assets expense** | **3,220** | **3,658** |

## 12. Trade receivables

The following table summarizes the Group's trade receivables:

| | 2023 TEUR | 2022 TEUR |
|---|---|---|
| Trade accounts receivables, customers | 4,338 | 3,426 |
| **Total gross trade receivables** | **4,338** | **3,426** |
| | | |
| Provision for impairment of receivables | -362 | -883 |
| **Total net trade receivables** | **3,976** | **2,543** |

| **31. December 2023** | Loss procentage | Receivable Amount | Expected Loss | Total |
|---|---|---|---|---|
| - Not due | 0,0% | 3,901 | 0 | 3,901 |
| - Overdue 1 to 90 days | 0,0% | 75 | 0 | 75 |
| - Overdue 91 to 180 days | 0,0% | 0 | 0 | 0 |
| - Overdue 181 to 360 days | 0,0% | 0 | 0 | 0 |
| - Overdue more than 360 days | 100% | 362 | 362 | 0 |
| **Total gross trade receivables** | | **4,338** | **362** | **3,976** |

| **31. December 2022** | Loss procentage | Receivable Amount | Expected Loss | Total |
|---|---|---|---|---|
| - Not due | 0,2% | 2,001 | 4 | 1,997 |
| - Overdue 1 to 90 days | 55,1% | 63 | 34 | 29 |
| - Overdue 91 to 180 days | 40,9% | 29 | 12 | 17 |
| - Overdue 181 to 360 days | 60,2% | 733 | 441 | 292 |
| - Overdue more than 360 days | 65,4% | 600 | 392 | 208 |
| **Total gross trade receivables** | | **3,426** | **883** | **2,543** |

*Credit risk on trade receivables*
The Group performs credit risk assessments of the customers on a regular basis. Managing the credit risk of customers is based on internal credit ratings on customers. The credit limit is determined based on the individual customer's credit assessment and local market risks.

The Group uses a simplified expected credit loss model to the assessment of privision for impairment of financial assets measured at amortised cost including trade receivables. The model recognises the loss in total comprehensive income over the assets useful lifetime when the loss is expected and subsequently monitored by management according to the Group's risk policy until realisation of the loss. The impairment loss is calculated based on an expected loss percentage considering the individual customers.

## 13. Prepayments

Prepayments comprise insurance, rent and software expenses regarding the financial year 2023.

### 14. Shareholders' equity

The following table summarizes the Company's share activity:

| EUR | Share capital TEUR |
| --- | --- |
| **January 1, 2022** | **9** |
| Capital decrease | 0 |
| Capital increase | 0 |
| **December 31, 2022** | **9** |
| Capital decrease | 0 |
| Capital increases | 0 |
| **December 31, 2023** | **9** |

On December 31, 2023 and December 31, 2022, the share capital of the Company comprised 66,392 shares and 64,718 shares, respectively with a nominal value of EUR 0,11 each. Each share entitles the holder to cast one vote at general meetings in the Company.

On December 31, 2023 and December 31, 2022, Lenus eHealth ApS' holding of own shares constitutes 0 shares and 435 shares, respectively with a nominal value of EUR 0,13, equal to 0.7 % and 0 % of the share capital, respectively.

Own shares are acquired for use in the Group's incentive program.

### 15. Income tax and deferred tax

| | 2023 TEUR | 2022 TEUR |
| --- | --- | --- |
| Current tax on net profit/loss before tax | 0 | 4,254 |
| Adjustment to prior years | -33 | -48 |
| Tax credit research and development expenses | 0 | 0 |
| Provision for income tax | -454 | -215 |
| Change in deferred tax | 225 | 213 |
| Change in unrecognized deferred tax | 0 | -4,254 |
| **Total income tax benefit for the period** | **-262** | **-50** |

**Reconciliation of effective tax rate to Danish statutory tax rate**

| | December 31, 2023 TEUR | December 31, 2022 TEUR |
| --- | --- | --- |
| Net profit/loss before tax | 7,778 | 26,024 |
| Corporate income tax rate in Denmark | 22% | 22% |
| **Computed income tax benefit** | **1,711** | **5.725** |
| *Tax effect of:* | | |
| Effect of (higher)/lower tax rates in foreign subsidiaries | -22 | 13 |
| Adjustment to prior years | -2 | -48 |
| Utilized losses in joint taxation | 106 | 1 |
| Other non-deductible expenses, including share-based compensation | -235 | -1,414 |
| Increased tax deductions on research and development expenses | 0 | 263 |
| Deferred tax asset not recognized | -1,820 | -4,590 |
| **Total income tax benefit for the period** | **-262** | **-50** |

**15. Income tax and deferred tax** – continued –

| | 2023<br>TEUR | 2022<br>TEUR |
|---|---|---|
| Corporation tax receivable at January 1 | 8 | 764 |
| Received/paid corporate tax during the financial year | -3 | -756 |
| Calculated corporate tax current year | 0 | 0 |
| **Corporation tax receivable (current)** | **5** | **8** |

| | 2023<br>TEUR | 2022<br>TEUR |
|---|---|---|
| Corporation tax payable at January 1 | 286 | 95 |
| Joint taxation prior years | -53 | 0 |
| Adjustment to prior years | 16 | 48 |
| Received/paid corporate tax during the financial year | -433 | -72 |
| Calculated corporate tax current year | 475 | 215 |
| **Corporation tax payable (current)** | **292** | **286** |

**Deferred tax in the balance sheet**

| | December 31, 2023<br>TEUR | December 31, 2022<br>TEUR |
|---|---|---|
| Deductible tax losses | 7,214 | 5,150 |
| Other temporary differences | -295 | 58 |
| | 6,919 | 5,208 |
| Deferred tax asset not recognized | -7,301 | -5,815 |
| **Carrying amount** | **-382** | **-607** |

The Group has net tax loss carry-forwards in Denmark for income tax purposes with a value of EUR 7,214 thousand and EUR 5,150 thousand as of December 31, 2023 and December 31, 2022.

The tax loss carry-forwards have no expiry date. The Company's ability to utilise tax loss carry-forwards in any one year is limited to 100% of the first EUR 8.9 million of taxable income plus 60% of taxable income above EUR 8.9 million.

The Company recognizes deferred tax assets, including the tax base of tax loss carry-forwards, if Management assesses that these tax assets can be offset against positive taxable income within a foreseeable future. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. This judgment is made periodically after considering current facts and circumstances, budgets and business plans.

As of December 31, 2023, there are no ongoing tax audits nor has Management been notified of any pending tax audit. As of December 31, 2023, the tax years that remain open for audit by the Danish tax authorities include 2016 through 2023.

### 16. Leases

The Group's right-of-use assets comprise property, for which Lenus eHealth leases office premises in Denmark, Sweden, Germany, the United Kingdom, Spain and United States of America.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The following table summarizes the Group's lease liabilities:

| **Lease liabilities** | **2023 TEUR** | **2022 TEUR** |
|---|---|---|
| Non-current lease liabilities | 2,628 | 4,994 |
| Current lease liabilities | 3,330 | 3,636 |
| **Total lease liabilities** | **5,958** | **8,630** |

The contractual and undiscounted cashflows of lease liabilities are disclosed in note 16.

### 17. Capital management

For purposes of the Group's capital management, capital includes issued capital and all equity reserves. The primary objective of the Group's capital management is to maximize shareholder value. The Board of Directors' policy is to maintain a strong capital base to maintain investor, creditor and market confidence, and a continuous advancement of the Group's intellectual property and business. Cash, cash equivalents and financial assets are monitored on a regular basis by Management and the Board of Directors in assessing current and long-term capital needs. As of December 31, 2023 the Group held cash and cash equivalents totaling EUR 15,331 million that will be sufficient to provide adequate funding to allow the Group to meet its planned operating activities in the normal course of business for the 12-months period ending December 31, 2024.

Through its activities the Group is exposed to a number of financial risks whereby future events, which can be outside the control of the Group, could have a material effect on the Group's financial position and results of operations. The known risks include foreign currency, interest, credit and liquidity risk and there could be other risks currently unknown to Management. Historically, the Group has not hedged its financial risks.

#### Foreign currency

The Group maintains operations in Denmark, Sweden, the United Kingdom, Germany, Spain, Norway, Finland and United States of America and uses the EUR as its functional currency Germany, Finland and Spain, DKK in Denmark, SEK in Sweden, GBP in the UK, USD in the US and NOK in Norway. The Group conducts cross-border transactions where the functional currency is not always used. Accordingly, future changes in the exchange rates of the EUR and/or the DKK, SEK, GBP, USD and NOK will expose the Group to currency gains or losses that will impact the reported amounts of assets, liabilities, income and expenses and the impact could be material. For the years ended December 31, 2023 and December 31, 2022, the impact on the Group's income statement and equity of possible changes in the exchange rates against the Parent Company's functional currency of EUR would be as follows:

| **Currency** | **Possible change** | **2023 TEUR** | **2022 TEUR** |
|---|---|---|---|
| DKK | +/-10% | +737 / (737) | +2,255 / (2,555) |
| SEK | +/-10% | +9 / (9) | +20 / (20) |
| GBP | +/-10% | +34 / (34) | +22 / (22) |
| USD | +/-10% | +45 / (45) | +42 / (42) |
| NOK | +/-10% | +1 / (1) | +0 / (0) |

**17. Capital management** – continued –

### Interest rate risk

In all material aspects, the Group's only interest-bearing debt is the lease liabilities.

### Credit risk

The credit risk is the risk that a counterpart to the Group do not fulfil their responsibility towards the Group. The Group is exposed for the credit risk of their customers if a sale is completed without a payment in advance because a recivable incur against the customer.

The Group's exsposure for the effect of material changes to customers credit risk is assessed to be low due as the majority of cash is received at the date of revenue recognition and not experienced material losses on trade receivables. Reference is made to note 11 for further description of credit risk on trade receivables.

Managing the credit risk related to the Group's customers is controlled by the Group.

The Group's credit risk is associated with cash held in banks. The Group does not trade financial assets for speculative purposes and invests with the objective of preserving capital.

The Group's cash and cash equivalents are held at a bank with Moody's long-term credit rating exceeding A1.

### Liquidity risk

The Group's liquidity risk covers the risk that the Group is not able to meet its liabilities as they fall due.

The Group has limited exposures toward liquidity risk as the Group has no external loans from credit facilities og bank debt.

The maturities of the financial liabilities are stated in the tables below. All amounts are contractual cash flows, i.e. inclusive of interest.

| | Within 1 year | 1 – 2 year(s) | 2 – 5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| **Liabilities as at December 31, 2023** | | | | | |
| Lease liabilities | 4,548 | 2,241 | 621 | 0 | 7,410 |
| Trade payables | 4,394 | 0 | 0 | 0 | 4,394 |
| **Total** | **8,942** | **2,241** | **621** | **0** | **11,803** |

| | Within 1 year | 1 – 2 year(s) | 2 – 5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| **Liabilities as at December 31, 2022** | | | | | |
| Lease liabilities | 3,102 | 3,044 | 1,592 | 0 | 7,738 |
| Trade payables | 2,536 | 0 | 0 | 0 | 2,536 |
| **Total** | **5,637** | **3,044** | **1,592** | **0** | **10,274** |

### Fair value

The carrying value of financial assets and financial liabilities measured at amortized cost is considered not to differ significantly from the fair value.

There were neither assets nor liabilities measured at fair value as of December 31, 2023 or December 31, 2022.

## Consolidated notes

### 18. Contractual obligations and contingencies

Contingencies are assets and liabilities that arise from past events but whose existence will only be confirmed by the occurrence or non-occurrence of future events that in some situations are beyond the Group's control. As of December 31, 2023, and December 31, 2022 there are no contingent assets or liabilities.

### 19. Related party disclosures

The Group's related parties comprise the subsidiary of the Parent Company, the significant shareholders of the Company and their subsidiaries, the Executive Management, the other key-management, the Board of Directors and close members of the families of these persons.

All intercompany transactions between the Parent Company and the subsidiaries have been eliminated in the consolidated financial statements.

The Group is not ultimately controlled by any of the investors. See note 5 for additional related party transactions related to the remuneration paid to the Executive Management. In addition, Thorslund Holding ApS, H&H Holding ApS, Ostra Invest ApS, Hnos ApS. and EQT Ventures II Investments S.á.r.l. all own more than 5%.

There have been no additional transactions between related parties in the 12-months period ended December 31, 2023 and the 12 months ended December 31, 2022.

#### Terms and conditions of transactions with related parties

Amounts due to related parties are uncollateralized and interest free. There have been no guarantees provided or received for any related party receivables or payables. For the 12-months period ended December 31, 2023 and the 12-months period ended December 31, 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. There are no related party receivables at any of the balance sheet dates.

#### Transactions with key management

The Group has not granted any loans, guarantees, or other commitments to or on behalf of any of the members of the Board of Directors or key management personnel.

No significant transactions have taken place with key management personnel during the period presented herein.

#### Compensation paid to members of the Board of Directors

No compensation was paid to members of the Board of Directors in 2023 and 2022. Certain members of the Board of Directors have received warrants in the Parent Company (reference is made to note 6).

#### Transactions with shareholders and affiliates

There have been no transactions with shareholders or affiliates of shareholders during the 12-months period ending December 31, 2023.

In 2022, the Group has acquired 435 own shares from shareholders for a purchase price of EUR 11,292 thousand.

### 20. Subsequent events

No material events have arisen between the reporting date and the date of publication of the annual report that have not already been included in this annual report or have a material effect on the assessment of the Group's financial position.

## Parent company income statement and statement of comprehensive income

| Note | | 2023 TEUR | 2022 TEUR |
|---|---|---|---|
| 4 | Revenue | 26,486 | 23,652 |
| | Costs of sales | -16,520 | -18,793 |
| | **Gross profit** | **9,966** | **4,859** |
| 5, 8, 9 | Research and development costs | -4,135 | -7,311 |
| 5, 8, 9 | Sales and marketing expenses | -3,320 | -6,326 |
| 5, 8, 9 | General and administrative expenses | -10,215 | -10,959 |
| | **Operating profit/loss** | **-7,704** | **-19,737** |
| 10 | Result of investments in group enterprises | 0 | -6,945 |
| 6 | Financial income | 289 | 1,320 |
| 7 | Financial expenses | -408 | -188 |
| | **Profit/loss before tax** | **-7,823** | **-25,550** |
| 13 | Tax for the year | 3 | 1 |
| | **Net profit/loss for the period** | **-7,820** | **-25,549** |
| | Exchange differences on the translation of foreign operations, net of tax | -23 | -11 |
| | **Other comprehensive income for the year, net of tax** | **-23** | **-11** |
| | **Total comprehensive income** | **7,843** | **-25,560** |
| | **Net income attributable to:** | | |
| | Shareholders of Lenus eHealth ApS | **-7,820** | -25,549 |
| | **Total** | **-7,820** | **-25,549** |
| | **Total comprehensive income attributable to:** | | |
| | Shareholders of Lenus eHealth ApS | -7,843 | -25,560 |
| | **Total** | **-7,843** | **-25,560** |

## Parent Company balance sheet

| Note | | 2023<br>TEUR | 2022<br>TEUR | January 1, 2022<br>TEUR |
|---|---|---|---|---|
| | **ASSETS** | | | |
| | *Non-current assets* | | | |
| | Completed development projects | 391 | 0 | 0 |
| 8 | Development projects in progress | 1,187 | 0 | 0 |
| 9 | Property, plant and equipment | 993 | 1,537 | 1,706 |
| 10 | Investments in group entities | 2,909 | 2,915 | 9,854 |
| | Deposits | 925 | 927 | 576 |
| | **Total non-current assets** | **6,405** | **5,379** | **12,135** |
| | *Current assets* | | | |
| 11 | Receivables from group entities | 1,879 | 2,303 | 2,614 |
| | Trade receivables | 3,088 | 1,770 | 556 |
| 13 | Corporation tax receivable | 5 | 8 | 763 |
| 13 | Joint taxation receivable | 3 | 0 | 0 |
| | Other receivables | 47 | 40 | 283 |
| 12 | Prepayments | 636 | 437 | 0 |
| | Cash and cash equivalents | 11,538 | 8,598 | 28,058 |
| | **Total current assets** | **17,196** | **13,156** | **32,273** |
| | **TOTAL ASSETS** | **23,600** | **18,535** | **44,408** |
| | **EQUITY AND LIABILITIES** | | | |
| | *Equity* | | | |
| | Share capital | 9 | 9 | 9 |
| | Retained earnings | 15,857 | 10,115 | 36,902 |
| | Currency translation reserve | -34 | -11 | 0 |
| | **Total equity** | **15,831** | **10,113** | **36,911** |
| | *Non-current liabilities* | | | |
| 14 | Lease liabilities | 1,566 | 2,806 | 2,800 |
| | Debt to shareholders | 0 | 0 | 944 |
| | **Total non-current liabilities** | **1,566** | **2,806** | **3,744** |
| | *Current liabilities* | | | |
| | Payables to group entities | 118 | 329 | 94 |
| 14 | Lease liabilities | 1,233 | 1,217 | 652 |
| | Debt to shareholders | 0 | 944 | 944 |
| | Trade payables | 3,921 | 2,450 | 1,297 |
| | Other payables and accruals | 930 | 676 | 766 |
| 13 | Provision for deferred tax | 0 | 0 | 1 |
| | **Total current liabilities** | **6,202** | **5,616** | **3,754** |
| | **Total liabilities** | **7,769** | **8,422** | **7,498** |
| | **TOTAL EQUITY AND LIABILITIES** | **23,600** | **18,535** | **44,408** |

## Parent Company statement of changes in equity

| | Note | Share capital TEUR | Share premium TEUR | Retained earnings TEUR | Currency translation reserve TEUR | Reserve for development costs TEUR | Total TEUR |
|---|---|---|---|---|---|---|---|
| **Equity as of January 1, 2022** | | **9** | **0** | **36,902** | **0** | **0** | **36,911** |
| Net profit/loss for the period | | 0 | 0 | -25,549 | 0 | 0 | -25,549 |
| Other comprehensive income for the period | | 0 | 0 | 0 | -11 | 0 | -11 |
| Total comprehensive income | | 0 | 0 | -25,549 | -11 | 0 | -25,560 |
| Share-based payment expense | | 0 | 0 | 282 | 0 | 0 | 282 |
| Purchase of own shares | | 0 | 0 | -1,520 | 0 | 0 | -1,520 |
| **Equity as of December 31, 2022** | | **9** | **0** | **10,115** | **-11** | **0** | **10,113** |
| | | | | | | | |
| **Equity as of January 1, 2023** | | **9** | **0** | **10,115** | **-11** | **0** | **10,113** |
| Net profit/loss for the period | | 0 | 0 | -7,820 | 0 | 0 | -7,820 |
| Other comprehensive income for the period | | 0 | 0 | 0 | -23 | 0 | -23 |
| Total comprehensive income | | 0 | 0 | -7,820 | -23 | 0 | -7,843 |
| Capital increase | | 0 | 13,171 | 0 | 0 | 0 | **13,171** |
| Transfer to retained earnings | | 0 | -13,717 | 13,711 | 0 | 0 | **0** |
| Transaction cost | | 0 | 0 | -121 | 0 | 0 | **-121** |
| Share-based payment expense | | 0 | 0 | 512 | 0 | 0 | **512** |
| Transfer to reserve for development costs | | 0 | 0 | -1,230 | 0 | 1,230 | **0** |
| Purchase of own shares | | 0 | 0 | 0 | 0 | 0 | **0** |
| **Equity as of December 31, 2023** | | **9** | **0** | **14,626** | **-34** | **1,230** | **15,831** |

## Parent Company cash flow statement

| | Note | 2023 TEUR | 2022 TEUR |
|---|---|---|---|
| **Operating activities** | | | |
| Profit/loss for the year | | -7,820 | -25,550 |
| Reversal of non-paid financial income | 6 | -289 | -1,320 |
| Reversal of non-paid financial expenses | 7 | 408 | 188 |
| Reversal of write-down of investments in group enterprises | | 0 | 6,945 |
| Depreciation, amortization and impairment | 8, 9 | 729 | 1,995 |
| Tax on profit of the year | | -3 | 0 |
| Other non-cash items | | 6 | -11 |
| *Adjustments to reconcile loss before tax to cash flows from operating activities* | | | |
| Share-based payment expense | | 512 | 282 |
| Changes in receivables from group enterprises | 11 | 424 | 311 |
| Change in trade receivables | | -1,318 | -1,214 |
| Change in other receivables | | -7 | 243 |
| Change in prepayments | | -199 | -437 |
| Changes in payables to group enterprises | | -210 | 235 |
| Change in trade payables | | 1,471 | 1,153 |
| Change in other payables | | 254 | -90 |
| Change in other debts to shareholders | | -944 | -944 |
| Cash flows from taxes | 13 | 2 | 755 |
| Interest received | 6 | 289 | 0 |
| Interest paid | 7 | -129 | 1,286 |
| **Net cash flow used in operating activities** | | **-6,823** | **-16,174** |
| | | | |
| **Investing activities** | | | |
| Purchase of own shares | | 0 | -1,520 |
| Deposits | | 2 | -349 |
| Investment in non-current assets | 8, 9 | -1,763 | -296 |
| Investment in subsidiary | 10 | 0 | -9 |
| **Net cash flow used in investing activities** | | **-1,761** | **2,174** |
| | | | |
| **Financing activities** | | | |
| Capital contributions from shareholders | | 13,050 | 0 |
| Lease payment | | -1,223 | -1,116 |
| **Net cash provided by financing activities** | | **11,827** | **-1,116** |
| | | | |
| **Net change in cash and cash equivalents** | | **3,243** | **-19,464** |
| Net foreign exchange differences | | -303 | 4 |
| Cash and cash equivalents at the beginning of the period | | 8,598 | 28,058 |
| **Cash and cash equivalents at the end of the period** | | **11,538** | **8,598** |

**Parent Company notes**

## Parent Company notes

### Corporate information

Lenus eHealth ApS (the "Parent Company") is a private limited liability company incorporated and domiciled in Denmark. The registered office of Lenus eHealth ApS is Rued Langgaards Vej 8, 2300 Copenhagen. The financial statements for the year end December 31, 2023 were authorised for approval at the Annual General Meeting to be held on June 27, 2024, with a resolution of the Board of Directors on June 26, 2024.

### 1. Accounting policies

#### Basis of preparation

The financial statements of the Parent Company have been prepared in accordance with International Financial Reporting Standards, or IFRS, as adopted by the European Union and further requirements in the Danish Financial statements Act applying to medium-sized reporting class C enterprises.

The parent company financial statements have been prepared on a historical cost basis except for share-based payment.

As applicable to the Group, the Parent Company applies the same accounting policies as disclosed in the consolidated financial statements. Therefore, only accounting policies specific to the Parent Company or that differ from the accounting policies applied by the Group are disclosed in these notes to the financial statements. If an accounting policy is not specifically mentioned, the Group accounting policy is applied.

The accounting policies have been applied consistently in the financial year and comparative figures with expection of presentation currency.

#### Change in presentation currency

In 2023, the presentation currency of parent company financial statements has changed from Danish Kroner to Euro to align with market expectations. To reduce the potential for foreign exchange volatility in our future reported earnings, the Board determined that, with effect from 1 January 2023, Parent company will present its results in Euro. The functional currency is Danish Kroner.

Accordingly, to satisfy the requirements of IAS 21 *The Effects of Changes in Foreign Exchange Rates*, the reported results for the year ended 31 December 2022 has been translated from Danish Kroner to Euro. A change in presentation currency represents a change in accounting policy under IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* which is accounted for retrospectively.

The parent company financial statements are presented in EUR. All values are rounded to the nearest thousand EUR where indicated.

#### Investment in group entities

Investments in subsidiaries are measured in the parent company financial statements at the lower of cost or recoverable amount. Any distributed dividends are recognized in the income statement of the Parent Company.

#### Parent company notes

The notes applicable to the financial statements of the Parent Company are the same as those presented in the consolidated financial statements, except for those notes presented in this section.

## 2. Significant accounting judgments, estimates and assumptions

A description of Management's key accounting estimates and judgements is disclosed in the consolidated financial statements (note 2) and also apply to the Parent Company.

**Imapirment testing of investments in group enterprises**
If indicators exist, the company tests whether investments in group enterprises have suffered any impairment in accordance with accounting policy. Reference is made to note 10 for investments is subsidiaries.

## 3. Standards issued but not yet effective

A description of relevant new IFRS standards is disclosed in the consolidated financial statements (note 3) and also apply to the Parent Company.

## 4. Revenue from contracts with customers

The Company's revenues are mainly derived from the LPS Platform and sale support services to fitness coaches. The Company's primary customers include fitness coaches.

Lenus eHealth ApS registered office is located in Denmark. The tables below present revenue by geographical areas, type of service and timing of revenue recognition:

| | 2023 TEUR | 2022 TEUR |
|---|---|---|
| *Service* | | |
| LPS platform access | 21,458 | 18,436 |
| Sales support services | 4,652 | 4,417 |
| Onboarding and website services | 376 | 799 |
| **Total revenue** | **26,486** | **23,652** |
| *Geographical area* | | |
| Europe | 25,882 | 23,096 |
| North America | 0 | 0 |
| Rest of the world | 604 | 556 |
| **Total revenue** | **26,486** | **23,652** |
| *Timing of revenue recognition* | | |
| Revenue recognized at a point in time | 5,028 | 5,266 |
| Revenue recognized over time | 21,458 | 18,386 |
| **Total revenue** | **26,486** | **23,652** |

**4. Revenue from contracts with customers** – continued –

*Summary of key performance obligations related to revenue streams*

Below, the key performance obligations regarding the LPS Platform and sales support services are summarized.

| Revenue streams | Performance obligations | When performance obligations are met and the timing of satisfaction of performance obligations | Significant payment terms | Nature of goods and services promised | The allocation of transaction price to performance obligations |
|---|---|---|---|---|---|
| LPS Platform access | The Group typically satisfies its performance obligation over time. | The Group considers revenue to be highly probable once the performance obligation has been satisfied and payment has been received. | The consideration is usually fixed. | Providing access to the LPS Platform. | The transaction prices are stand-alone selling prices of the respective promised access. |
| Sales support services | The Group typically satisfies its performance obligation upon delivery of the service. | The Group's net revenue from services consists of a commission income, which is recognized, when the service has been delivered. | The consideration is usually fixed. | Sales support services to customers acting as agents and arranging for the provision of fitness service on behalf of customers. | The transaction prices are stand-alone selling prices of the respective promised service. |
| Onboarding and websites services | The Group typically satisfies its performance obligation upon delivery of the website | The Group recognizes revenue from the sale of websites and onboarding once control and ownership are transferred. | The consideration is usually fixed. | Sale of personalized websites and onboarding to customers. | The transaction prices are stand-alone selling prices of the respective promised service. |

### 5. Employee benefit expenses

| | 2023<br>TEUR | 2022<br>TEUR |
|---|---|---|
| **Staff costs** | | |
| Wages/salaries | 12,584 | 15,747 |
| Share-based compensation expenses | 513 | 282 |
| Pension costs | 211 | 95 |
| Other social security costs | 210 | 226 |
| **Total staff costs** | **13,518** | **16,350** |
| | | |
| Average number of employees during the year | 176 | 196 |
| | | |
| Total staff costs are included in the income statement as follows: | | |
| Costs of sales | 1,029 | 810 |
| Research and development costs | 2,708 | 4,777 |
| Sales and marketing expenses | 2,404 | 4,111 |
| General and administrative expenses | 7,377 | 6,652 |
| **Total staff costs** | **13,518** | **16,350** |

With reference to section 98b, (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

No remuneration was paid to the Board of Directors during the financial years 2023 and 2022.

### 6. Financial income

| | 2023<br>TEUR | 2022<br>TEUR |
|---|---|---|
| Foreign exchange gain | 0 | 1,319 |
| Other | 289 | 1 |
| **Total financial income** | **289** | **1,320** |

### 7. Financial expenses

| | 2023<br>TEUR | 2022<br>TEUR |
|---|---|---|
| Foreign exchange losses | 279 | 3 |
| Interest expenses, lease liabilities | 129 | 155 |
| Other | 0 | 30 |
| **Total financial expenses** | **408** | **188** |

## 8. Intangible assets

| | Completed development projects | Development projects in progress | Total |
|---|---|---|---|
| | TEUR | TEUR | TEUR |
| Cost at January 1, 2022 | 0 | 0 | 0 |
| Exchange rate adjustment | 0 | 0 | 0 |
| Additions | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 |
| Cost at January 1, 2023 | 0 | 0 | 0 |
| Exchange rate adjustment | 0 | 0 | 0 |
| Additions | 0 | 1,656 | 1,656 |
| Transfer to completed | 469 | -469 | 0 |
| Disposals | 0 | 0 | 0 |
| Cost at December 31, 2023 | 469 | 1,187 | 1,656 |
| | | | |
| Accumulated depreciation at January 1, 2022 | 0 | 0 | 0 |
| Exchange rate adjustment | 0 | 0 | 0 |
| Depreciation expense | 0 | 0 | 0 |
| Write-down | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 |
| Accumulated depreciation at January 1, 2023 | 0 | 0 | 0 |
| Exchange rate adjustment | 0 | 0 | 0 |
| Depreciation expense | 78 | 0 | 78 |
| Write-down | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 |
| Accumulated depreciation at December 31, 2023 | 78 | 0 | 78 |
| | | | |
| Total net carrying value at: | | | |
| December 31, 2022 | 0 | 0 | 0 |
| December 31, 2023 | 391 | 1,187 | 1,578 |
| | | | |
| Depreciated over | 3 years | | |
| Remaining period | 2.6 years | | |

*Capitalized R&D projects expense*

Capitalized R&D projects expense is included in the income statement as follows:

| | 2023 TEUR | 2022 TEUR |
|---|---|---|
| Cost of sales | 0 | 0 |
| Research and development costs | 78 | 0 |
| Sales and marketing expenses | 0 | 0 |
| General and administrative expenses | 0 | 0 |
| **Total depreciation expense** | **78** | **0** |

## 9. Property, plant and equipment

| | Leasehold improvements TEUR | Fixtures and fittings, other plant and equipment TEUR | Right-of-use assets TEUR | Total TEUR |
|---|---|---|---|---|
| Cost at January 1, 2022 | 18 | 308 | 3,459 | 3,785 |
| Additions | 122 | 173 | 1,532 | 1,827 |
| Disposals | 0 | 0 | 0 | 0 |
| Cost at January 1, 2023 | 140 | 481 | 4,991 | 5,612 |
| Exchange rate adjustment | 0 | -1 | -2 | -3 |
| Additions | 151 | 29 | 0 | 180 |
| Disposals | 0 | 0 | -61 | -61 |
| Cost at December 31, 2023 | 291 | 509 | 4,929 | 5,729 |
| | | | | |
| Accumulated depreciation at January 1, 2022 | 3 | 91 | 1,986 | 2,080 |
| Exchange rate adjustment | 0 | 0 | 1 | 1 |
| Depreciation expense | 10 | 137 | 656 | 803 |
| Write-down | 0 | 0 | 1,193 | 1,193 |
| Disposals | 0 | 0 | 0 | 0 |
| Accumulated depreciation at January 1, 2023 | 12 | 228 | 3,836 | 4,075 |
| Exchange rate adjustment | 0 | -1 | 1 | 0 |
| Depreciation expense | 52 | 143 | 479 | 674 |
| Write-down | 0 | 0 | 0 | 0 |
| Disposals | 0 | 0 | -14 | -14 |
| Accumulated depreciation at December 31, 2023 | 64 | 370 | 4,301 | 4,735 |
| | | | | |
| Total net carrying value at: | | | | |
| December 31, 2022 | 128 | 253 | 1,156 | 1,537 |
| December 31, 2023 | 226 | 139 | 628 | 993 |
| | | | | |
| Depreciated over | 5 years | 3-5 years | 1-5 years | |

*Right-of-use assets*

For 2023 and 2022, the Company recognized an expense of EUR 1,397 thousand and EUR 1,003 thousand respectively, relating to short-term leases and leases of low value assets.

## Parent Company notes

**9. Property, plant and equipment** – continued –

*Leasehold improvements expense*

Leasehold improvements expense is included in the income statement as follows:

| | 2023<br>TEUR | 2022<br>TEUR |
|---|---|---|
| Cost of sales | 4 | 0 |
| Research and development costs | 16 | 3 |
| Sales and marketing expenses | 7 | 2 |
| General and administrative expenses | 25 | 4 |
| **Total leasehold improvements expense** | **52** | **10** |

*Fixtures and fittings, other plant and equipment expense*

Fixtures and fittings, other plant and equipment expense is included in the income statement as follows:

| | 2023<br>TEUR | 2022<br>TEUR |
|---|---|---|
| Cost of sales | 10 | 6 |
| Research and development costs | 45 | 46 |
| Sales and marketing expenses | 20 | 32 |
| General and administrative expenses | 68 | 53 |
| **Total fixtures and fittings, other plant and equiment expense** | **143** | **137** |

*Right-of-use-assets expense*

Right-of-use-assets expense is included in the income statement as follows:

| | 2023<br>TEUR | 2022<br>TEUR |
|---|---|---|
| Costs of sales | 34 | 80 |
| Research and development costs | 149 | 622 |
| Sales and marketing expenses | 68 | 426 |
| General and administrative expenses | 227 | 720 |
| **Total right-of-use-assets expense** | **478** | **1,849** |

## Parent Company notes

### 10. Investments in subsidiaries

| | 2023<br>TEUR | 2022<br>TEUR |
|---|---|---|
| Cost at January 1 | 9,860 | 9,854 |
| Exchange rate adjustment | -18 | -3 |
| Additions during the year | 0 | 9 |
| **Cost at December 31** | **9,842** | 9,860 |
| Impairment losses at January 1 | -6,948 | 0 |
| Exchange rate adjustment | 15 | 0 |
| Impairment losses during the year | 0 | -6,945 |
| **Impairment losses at December 31** | **-6,933** | -6,945 |
| | | |
| **Total net carrying value at:** | | |
| January 1 | 2,915 | 9,854 |
| December 31 | 2,909 | 2,915 |

| Subsidiary | Registered office | Ownership interest (%) | Share capital | Equity | Profit/loss for the year |
|---|---|---|---|---|---|
| LPS eHealth Software AB | Sweden | 100 | 50 (TSEK) | 3,895 (TSEK) | 1,388 (TSEK) |
| LPS eHealth Software Ltd. | UK | 100 | 0 (TGBP) | 766 (TGBP) | 265 (TGBP) |
| LPS eHealth Software GmbH | Germany | 100 | 25 (TEUR) | 340 (TEUR) | 85 (TEUR) |
| Lenus eHealth Inc | US | 100 | 0 (TUSD) | 765 (TUSD) | -535 (TUSD) |
| Zenfit ApS | Denmark | 100 | 40 (TEUR) | 2,671 (TEUR) | 3,589 (TEUR) |
| Lenus eHealth Software Spain, S.L.U. | Spain | 100 | 3 (TEUR) | 36 (TEUR) | 34 (TEUR) |
| LPS eHealth Software NO AS | Norway | 100 | 30 (TNOK) | 174 (TNOK) | 144 (TNOK) |
| LPS eHealth Software FI Oy | Finland | 100 | 0 (TEUR) | 37 (TEUR) | 37 (TEUR) |

*Impairment test of investments insubsidiaries*
A description of the Management's key judments and assumptions relating to impairment on the investment Zenfit ApS is disclosed in the consolidated financial statement (note 10) and also applies to the Parent Company. The impairment test on goodwill is adjusted for net bearing debt for the impairment test on investments in subsidiaries.

### 11. Receivables from group entities

| | 2023 TEUR | 2022 TEUR |
|---|---|---|
| Receivables from group entities at January 1 | 2,303 | 2,614 |
| Transactions during the year | -424 | -311 |
| **Receivables from group entities at December 31** | **1,879** | **2,303** |
| Impairment losses at January 1 | 0 | 0 |
| Impairment losses during the year | 0 | 0 |
| **Impairment losses at December 31** | **0** | **0** |
| | | |
| **Total net carrying value at:** | | |
| January 1 | 2,303 | 2,614 |
| December 31 | 1,879 | 2,303 |

*Impairment*
Amounts due to related parties are uncollateralized and interest free. No guarantees have been provided or received for any related party receivables or payables. For the 12-months period ended December 31, 2023 and the 12-months period ended December 31, 2022, the Parent Company has not recorded any impairment of receivables relating to amounts owed by related parties.

### 12. Prepayments

Prepayments comprise insurance, rent and software expenses regarding the financial year 2023.

### 13. Income tax and deferred tax

| | 2023 TEUR | 2022 TEUR |
|---|---|---|
| Current tax on net profit/loss before tax | 0 | 4,254 |
| Adjustment to prior years | 0 | 1 |
| Tax credit research and development expenses | 0 | 0 |
| Provision of income tax | 3 | 0 |
| Other changes | 0 | 0 |
| Change in unrecognised deferred tax during the year | 0 | -4,254 |
| **Total income tax benefit for the period** | **3** | **1** |

**13. Income tax and deferred tax** – continued-

**Reconciliation of effective tax rate to Danish statutory tax rate**

| | December 31, 2023 TEUR | December 31, 2022 TEUR |
|---|---|---|
| Net profit/loss before tax | 7,823 | 25,550 |
| Corporate income tax rate in Denmark | 22% | 22% |
| **Computed income tax benefit** | **1,721** | **5,621** |
| *Tax effect of:* | | |
| Adjustment to prior years | 0 | 1 |
| Utilised losses in joint taxation | 3 | 1 |
| Other non-deductible expenses, including share-based compensation etc. | 0 | -1,606 |
| Increased tax deductions on research and development expenses | 0 | 238 |
| Deferred tax not recognised during the year | -1,721 | -4,254 |
| **Total income tax benefit for the period** | **3** | **1** |

| | 2023 TEUR | 2022 TEUR |
|---|---|---|
| Corporation tax receivable at January 1 | 8 | 763 |
| Received/paid corporation tax during the financial year | -3 | -755 |
| Calculated corporation tax current year | 0 | 0 |
| **Corporation tax receivable (current)** | **5** | **8** |

| | 2023 TEUR | 2022 TEUR |
|---|---|---|
| Corporation tax payable at January 1 | 0 | 0 |
| Received/paid corporation tax during the financial year | 0 | 0 |
| Calculated corporation tax current year | -3 | 0 |
| **Corporation tax payable (current)** | **-3** | **0** |

**13. Income tax and deferred tax** – continued-

**Deferred tax in the balance sheet**

| | December 31, 2023 TEUR | December 31, 2022 TEUR |
|---|---|---|
| Deductible tax losses | 7,214 | 5,043 |
| Other temporary differences | 87 | 664 |
| | 7,301 | 5,707 |
| Deferred tax asset not recognized | -7,301 | -5.707 |
| **Carrying amount** | **0** | **0** |

The Company has net tax loss carry-forwards in Denmark for income tax purposes with a tax value of EUR 7,214 thousand and EUR 5,043 thousand as of December 31, 2023 and December 31, 2022.

The tax loss carry-forwards have no expiry date. The Company's ability to use tax loss carry-forwards in any one year is limited to 100% of the first EUR 8.9 million of taxable income plus 60% of taxable income above EUR 8.9 million.

The Company recognizes deferred tax assets, including the tax base of tax loss carry-forwards, if Management assesses that these tax assets can be offset against positive taxable income within a foreseeable future. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. This judgment is made periodically after considering current facts and circumstances, budgets and business plans.

As of December 31, 2023, there are no ongoing tax audits nor has Management been notified of any pending tax audit. As of December 31, 2023, the tax years that remain open for audit by the Danish tax authorities include 2016 through 2023.

**14. Leases**

The Company's right-of-use assets comprise property, regarding which Lenus eHealth leases office premises in Denmark.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The following table summarizes the Company's lease liabilities:

| **Lease liabilities** | **2023**<br>**TEUR** | **2022**<br>**TEUR** |
|---|---|---|
| Non-current lease liabilities | 1,566 | 2,806 |
| Current lease liabilities | 1,233 | 1,217 |
| **Total lease liabilities** | **2,799** | **4,023** |

The contractual and undiscounted cashflows of lease liabilities can be specified as follows:

| | **Within 1 year** | **1 – 2 year(s)** | **2 – 5 years** | **Over 5 years** | **Total** |
|---|---|---|---|---|---|
| **December 31, 2023** | | | | | |
| Lease liabilities | 1,314 | 988 | 621 | 0 | 2,923 |

| | **Within 1 year** | **1 – 2 year(s)** | **2 – 5 years** | **Over 5 years** | **Total** |
|---|---|---|---|---|---|
| **December 31, 2022** | | | | | |
| Lease liabilities | 505 | 1,305 | 1,592 | 0 | 3,402 |

**15. Contractual obligations and contingencies**

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes for income year 2022 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment. As of December 31, 2023, there are no coporation tax payable for the Danish joint taxation.

**16. Related party disclosure**

The Parent Company's related parties comprise the subsidiaries of the Parent Company, the significant shareholdes of the Company, the Executive Management, and the Board of Directors.

The subsidiaries in Sweden, Germany, the UK, Spain, Norway, and Finland are sales service providers. For services provided by the sales service providers, the Parent Company pays a fee equivalent to an arm's length mark-up on the sales service providers' costs. The subsidiary in the US is a Limited Risk Distributor on behalf of Lenus Denmark and receives royalty payament to an arm's length mark-up based on a operating margin and remuneration policies.
For the years 2023 and 2022, the Company recognised EUR 13,882 thousand and EUR 16,472 thousand respectively in cost of sales, for the services provided by the sales service providers.

Refer to note 11 for further information on receivables from group entities.

Refer to the consolidated financial statements for related party disclosure other than transactions with subsidiaries.

## Parent Company notes

### 17. Subsequent events

No material events have arisen between the reporting date and the date of publication of the annual report that have not already been included in this annual report or have a material effect on the assessment of the Company's financial position.