LENUS

2022 Annual Report

This annual report has been adopted at the company's annual general meeting on June 29, 2023.

Chairman of the meeting:

Kristian Klausen

Lenus eHealth ApS
Rued Langgaards 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

LENUS

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Management’s review

On a mission to improve global health
Over the last several decades, our diets have become unhealthy and our lifestyles sedentary. More and more people are struggling with mental health disorders, obesity, and other lifestyle diseases, and our healthcare system is struggling to help people find a cure for their sickness.

At Lenus, we are on a mission to reverse that trend. We believe prevention is better than treatment. We believe in connecting the body and the mind in order for people to actually change their habits. To us, holistic health coaching is the answer to global health problems, and we want to build a new generation of health coaches who can help people transform their lives.

A health coaching revolution
Research indicates that personal coaching is the most effective way to improve one’s individual health. While effective, it is a scarce and expensive resource.
For most coaches, there’s a capacity constraint of 20 clients per month without a platform.

That is why we have created the Lenus platform where coaches from all areas can take advantage of our holistic approach. Our streamlined platform provides automated areas of efficiency, so coaches can have more time to connect with their clients, scale their businesses, and help even more clients live happier and healthier.
Our features are developed, designed and tested in collaboration with our in-house health team, certified in the areas of nutrition, physical exercise, psychology, physiotherapy and general practice.

We want to educate and support the new generation of health coaches in taking their coaching businesses to the next level. Together we are accelerating a holistic health coaching revolution.

Continuing growth in a challenging market
In 2022, our focus has been to establish a stronger presence within holistic health on a global scale while ensuring competitive edge through data and platform innovation. Thus, our key highlights from the previous year are:

Expansion
We have established ourselves in the US making it our biggest market in terms of revenue, while embarking in four new countries including Spain, the Netherlands, Norway and Finland.

Holistic health innovation
We have pushed innovation by setting a team of in-house health innovation specialists, consisting of medical physicians, psychologists, physiotherapists and nutritionists. Their focus is to ensure the highest quality of healthcare services, provide thoughtful leadership and implement holistic health within our product and coaching partners.

Artificial intelligence
We have established an advanced analytics and automation team who are building the future of tomorrow within health coaching. By integrating artificial intelligence into our platform, we can leverage data from thousands of the worlds best online coaches and centralize the knowledge into a co-pilot in the platform.

Staying the course of becoming a forerunner within health technology
The focus in 2023 is to solidify the continued month to month performance that we are currently seeing in all of our markets and solidifying the financial health of Lenus.

Over the course of a few years, we have made a significant leap from being a regional company to becoming a global market leader within our field, and we are now benefitting from the immense running pace combined with a healthy runway to encompass future investment plans.

In 2023 we will continue investing in health innovation R&D, becoming the forerunner within health technology, thus continuously providing coaches with innovative tools ensuring a scalable, consistent and durable business model.

We intend to strengthen our position as a leading tech provider in holistic health by further developing Lenus Labs and our online coaching school in order to establish ourselves as a strong, trusted brand that integrates the physical, mental, emotional, and social aspects of health to drive scientifically documented positive impacts on client health.

Finally, 2023 will lay the foundation for further expansion. We have already challenged the status quo on how to expand internationally while rewriting our playbook on how to be faster and more efficient when entering new markets in the future. Thus, we intend to further establish long-term expansion plans with a roadmap for successful global dominance.

In 2021 & 2022 Lenus expanded from 4 to 10 countries and tripled MRR to DKK c. 20 million.

Since the launch in late 2021 the US has grown remarkably, now being the biggest market with 25% of MRR - and more to come.

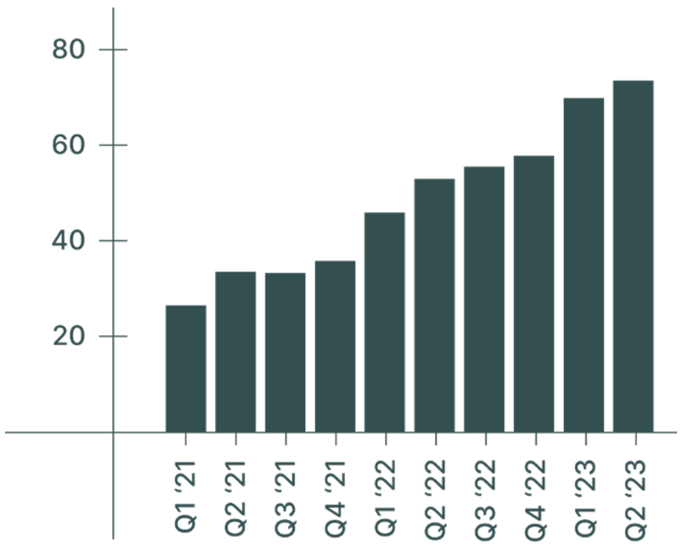
Financial performance
Lenus continued to invest in growth in 2022 with a special focus on achieving a strong beachhead in the US. 2022 FY revenue grew by a x1.6 YoY to DKK 225 million.
By the end of 2022 the US was our biggest market, generating 25% of revenue. The investment in growing US and maturing the entire organization for further growth impacted the net result for the financial year 2022, resulting in a loss of DKK 195 million, compared to a loss of DKK 58 million in 2021.

Mid-2022 the management team changed strategy from "Grow at all cost" to "Grow profitably". The outcome was a strong focus on operating costs and a stronger focus on increasing the efficiency and return of the commercial investment made since the Series A, mid-2021. As a result Lenus is on track to revert to positive EBITDA margins and become cash flow positive in January 2024, which puts Lenus in a strong financial position for the future growth.

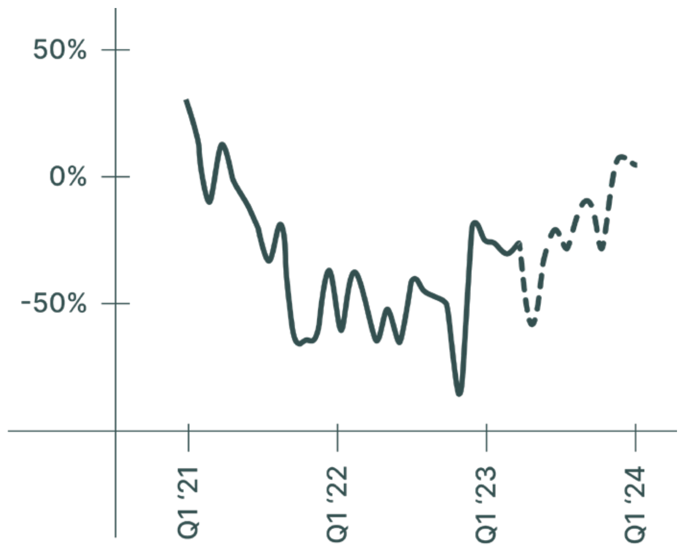
Financial position and equity investment
As of December 31, 2022, the group had a cash balance of DKK 81 million, compared to DKK 231 million as of December 31, 2021. The decrease in cash results from capital contributions less the cash burn during the year.
In April 2023 a consortium consisting of new and existing investors agreed to a capital increase of DKK 93 million, which was paid out in April 2023.

With +400 employees of 53 different nationalities and 11 offices around the world, Lenus stands strong to take the next steps in 2023.

RECURRING REVENUE DEVELOPMENT (Revenue in MDKK)



EBITDA MARGIN %



Key Figures

	2022	2021	2020	2019
COMPREHENSIVE INCOME, TDKK				
Revenue	221,972	135,710	53,577	18,575
Operating profit/loss	-201,950	-66,654	-1,067	929
Profit/loss before tax	-193,116	-63,385	-1,585	819
Net result	-192,886	-58,262	-1,691	551
BALANCE SHEET, TDKK				
Assets	183,438	347,208	39,703	14,387
Investments in property, plant and equipment	2,962	110	895	63
Equity	73,397	275,480	14,404	3,096
FINANCIAL RATIOS, %				
Return on invested capital	-224.73	-124.44	-21.96	256.63
Profit ratio	-86.9	-42.93	-3.16	2.97
Return on equity	-110.58	-40.20	-19.33	12.76
Solvency ratio	40.01	79.34	36.28	21.50

RETURN ON INVESTED CAPITAL

$$\frac{\textit{Operation profit loss} \times 100}{\textit{Average invested capital}}$$

PROFIT RATIO

$$\frac{\textit{Net result} \times 100}{\textit{Revenue}}$$

RETURN ON EQUITY

$$\frac{\textit{Net result} \times 100}{\textit{Average equity}}$$

SOLVENCY RATIO

$$\frac{\textit{Equity} \times 100}{\textit{Assets}}$$

Definition of financial ratios
Reference is made to the Danish Financial statements act section 128(4) as comparative figures are included since the first consolidated financial statement in 2020 with comparative figures. As a result, 2018 figures are not comprised in above key figures.

Financial review
The net result for the financial year 2022 was a loss of DKK 192.9 million compared to a loss of DKK 58.3 million in 2021. The revenue grew to DKK 221.9 million compared to DKK 135.7 million in 2021.

In our outlook in the annual report for 2021, we expected a strong growth in annual recurring revenue following our entry in the US market and continued expansion in our existing and new EU markets. Following our expansions, we also expected increased investments in growth of FTEs, and both expectations were met in full.

R&D
Research and development expenses totaled DKK 67.1 million in 2022 compared to DKK 43.1 million in 2021. The increase was mainly due to higher activity levels in 2022. R&D expenses primarily consist of salaries and allocated overhead costs to the R&D department. The R&D department is a key pillar to continuos development of new and innovative features and improvements of the Lenus platform.

S&M
Sales and marketing expenses totaled DKK 188.5 million in 2022 compared to DKK 106.2 million in 2021. The increase was mainly due to higher activity levels in 2022, ramp up of the organisation and increased focus of commercialisation.

General and administrative expenses
General and administrative expenses totaled DKK 99.5 million in 2022 compared to DKK 38.1 million in 2021. The increase is mainly due to higher activity levels in 2022 and ramp up of the organization.

Financial items
Net financials totaled an income of DKK 9.2 million in 2022 compared to an expense of DKK 3.3 million in 2021. Financial expenses primarily cover foreing exchange losses and interest expenses.

Income tax
Income tax totaled DKK -358 thousand in 2022 compared to DKK 5.12 million in 2021.

Statement of financial position
As of December 31, 2022, the group had a cash balance of DKK 81.0 million compared to DKK 231.3 million as of December 31, 2021. The decrease in cash results from capital contributions less the cash burn during the year.

As of December 31, 2022, equity amounted to DKK 73.4 million compared with DKK 275.5 million as of December 31, 2021. The decrease mainly reflects the capital increase during the year.

Cash flow
Net cash flow from operating activities amounted to an outflow of DKK 112.9 million in the year ended December 31, 2022 compared to DKK 39.7 million in the year ended December 31, 2021. 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 DKK 17.8 million in the year ended December 31, 2022 compared to DKK 67.7 million in the year ended December 31, 2021. Investing activities comprise investment in property plant and equipment. The net cash outflow in the year ended December 31, 2021 was impacted by the Company's purchase of Zenfit during the year.

Net cash flow from financing activities amounted to an outflow of DKK 21.8 million in the year ended December 31, 2022 compared to an inflow of DKK 309.1 million in the year ended December 31, 2021. 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
In April 2023, a consortium consisting of new and existing investors agreed to a capital increase of DKK 92.6 million. The capital increase was paid out in April 2023.
Other than the event disclosed above, there were no other events that were required to be reported or disclosed that have not already been included within these financial statements.

Outlook
In 2023 we will continue to pursue growth in our existing markets, while we also keep investing in our platform. As result we expect to generate significant growth in our annual recurring revenue towards a level of DKK 300-350 million in 2023.

In 2023 Lenus will also continue the transition towards 'Profitable Growth'. We expect a net loss in the range of DKK 100-150 million for the entire year, but by end of 2023 we expect neutral or positive operating cash flow.

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, 2022 and the comparative figures for the financial year January 1 – December 31, 2021.

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, 2022 and the comparative figures at December 31, 2021 and of the results of the Group's and Parent Company's operations and cash flows for the financial year January 1 – December 31, 2022 and the comparative figures for the financial year January 1 – December 31, 2021.

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 27, 2023

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 2022, 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 2022 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 2022 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' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 27, 2023

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		2022 TDKK	2021 TDKK
4	Revenue	221,972	135,710
	Costs of sales	-21,236	-14,871
	Gross profit	**200,736**	**120,840**
5, 6, 10	Research and development costs	-67,065	-43,130
5, 6, 10	Sales and marketing expenses	-188,519	-106,230
5, 6, 10	General and administrative expenses	-99,528	-38,133
9	Impairment of goodwill	-47,574	0
	Operating profit/loss	**-201,950**	**-66,654**
7	Financial income	11,882	7,462
8	Financial expenses	-2,690	-4,193
	Profit/loss before tax	**-192,759**	**-63,385**
14	Tax for the year	-358	5,123
	Net profit/loss for the period	**-193,116**	**-58,262**
	Exchange differences on the translation of foreign operations, net of tax	231	50
	Other comprehensive income for the year, net of tax	**231**	**50**
	Total comprehensive income	**-192,886**	**-58,212**
	Net income attributable to:		
	Owners of the Parent Company	-193,116	-58,262
	Total	**-193,116**	**-58,262**
	Total comprehensive income attributable to:		
	Owners of the Parent Company	-192,886	-58,212
	Total	**-192,886**	**-58,212**

Consolidated balance sheet

Note		2022 TDKK	2021 TDKK
	ASSETS		
	Non-current assets		
9	Goodwill	0	47,574
9	Technology and Customer base	20,323	27,713
10	Property, plant and equipment	45,256	15,921
	Deposits	12,653	9,072
	Total non-current assets	**78,232**	**100,280**
	Current assets		
11	Trade receivables	18,889	6,324
14	Corporation tax receivable	57	5,681
	Other receivables	1,611	2,253
12	Prepayments	3,604	1,379
	Cash and cash equivalents	81,045	231,292
	Total current assets	**105,206**	**246,929**
	TOTAL ASSETS	**183,438**	**347,208**
	EQUITY AND LIABILITIES		
	Equity		
13	Share capital	65	65
	Retained earnings	73,048	275,361
	Currency translation reserve	284	54
	Total equity	**73,397**	**275,480**
	Non-current liabilities		
15	Lease liabilities	37,140	22,765
	Debt to shareholders	0	7,020
	Provisions for deferred tax	4,514	6,105
	Total non-current liabilities	**41,654**	**35,890**
	Current liabilities		
15	Lease liabilities	27,035	6,359
	Debt to shareholders	7,020	7,020
	Prepayments from customers	271	0
	Trade payables	18,856	10,010
14	Corporation tax payable	2,124	708
	Other payables and accruals	13,080	11,741
	Total current liabilities	**68,386**	**35,838**
	Total liabilities	**110,041**	**71,728**
	TOTAL EQUITY AND LIABILITIES	**183,438**	**347,208**

Consolidated statement of changes in equity

	Note	Share capital TDKK	Share premium TDKK	Retained earnings TDKK	Currency translation reserve TDKK	Total TDKK
Equity as of January 1, 2021		**59**	**0**	**13,729**	**4**	**13,792**
Net profit/loss for the period		0	0	-58,262	0	-58,262
Other comprehensive income for the period		0	0	0	50	50
Total comprehensive income		0	0	-58,262	50	-58,212
Capital decrease	13	-5	0	5	0	0
Capital increase		11	313,405	0	0	313,416
Transfer to retained earnings		0	-313,405	313,405	0	0
Transaction cost		0	0	-816	0	-816
Share-based payment expense	6	0	0	7,300	0	7,300
Equity as of December 31, 2021		**65**	**0**	**275,361**	**54**	**275,480**

	Note	Share capital TDKK	Share premium TDKK	Retained earnings TDKK	Currency translation reserve TDKK	Total TDKK
Equity as of January 1, 2022		**65**	**0**	**275,361**	**54**	**275,480**
Net profit/loss for the period		0	0	-193,116	0	-193,116
Other comprehensive income for the period		0	0	0	231	231
Total comprehensive income		0	0	-193,116	231	-192,886
Share-based payment expense	6	0	0	2,096	0	2,096
Purchase of own shares		0	0	-11,292	0	-11,292
Equity as of December 31, 2022		**65**	**0**	**73,048**	**284**	**73.397**

Consolidated cash flow statement

	Note	2022 TDKK	2021 TDKK
Operating activities			
Profit/loss before tax		-192,759	-63,385
Reversal of non-paid financial income	7	-11,882	-3,593
Reversal of non-paid financial expenses	8	2,690	7,462
Depreciation, amortization and impairment	10	83,214	18,700
Other non-cash items		2,259	-2,137
Adjustments to reconcile loss before tax to cash flows from operating activities			
Share-based payment expense	6	2,096	7,300
Change in trade receivables		-12,641	-1,950
Change in other receivables		640	-1,926
Change in prepayments		-2,226	-1,292
Change in prepayments from customers		271	0
Change in trade payables		8,836	6,061
Change in other payables and accruals		1,335	-3,460
Change in debt to shareholders		-7,020	0
Cash flows from taxes	14	5,092	-910
Interest received		31	0
Interest paid	8	9,423	-686
Net cash flow used in operating activities		**-110,640**	**-39,741**
Investing activities			
Investment in non-current assets	10	-2,962	-110
Investment in subsidiary		0	-59,076
Purchase of own shares		-11,292	0
Deposits		-3,581	-8,468
Net cash flow used in investing activities		**-17,835**	**-67,654**
Financing activities			
Capital contributions from shareholders	13	0	313,416
Lease payment		-21,740	-4,279
Net cash provided by financing activities		**-21,740**	**309,137**
Net change in cash and cash equivalents		**-150,215**	**201,742**
Net foreign exchange differences		-32	37
Cash and cash equivalents at the beginning of the period		231,292	29,513
Cash and cash equivalents at the end of the period		**81,045**	**231,292**

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. Employee benefit expenses
6. Share-based compensation expenses
7. Financial income
8. Financial expenses
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10. Property, plant and equipment
11. Trade receivables
12. Prepayments
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15. Leases
16. Capital management
17. Contractual obligations and contingencies
18. Business combinations
19. Related party disclosures
20. Subsequent events

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, 2022 were authorised for approval at the Annual General Meeting to be held on June 29, 2023, with a resolution of the Board of Directors on June 27, 2023.

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 consolidated financial statements are presented in Danish Kroner, or DKK, which is the functional currency of the Parent Company based on facts and circumstances and the technical requirements of IFRS. All values are rounded to the nearest thousand DKK 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.

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.

1. Accounting policies – continued –

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.

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.

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.

1. Accounting policies – continued –

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 (DKK). 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.

Business combinations

For acquisitions of entities, the assets, liabilities, and contingent liabilities of the acquiree are recognized using the acquisition method. The most significant assets acquired generally comprise goodwill, technology, customer base, non-current assets, receivables, and inventories.

No active market exists for the majority of the acquired assets and liabilities, in particular in respect of acquired intangible assets. Accordingly, management makes estimates of the fair value of acquired assets, liabilities, and contingent liabilities. Depending on the nature of the item, the determined fair value of an item may be associated with uncertainty and possibly adjusted subsequently.

Management makes judgements related to the accounting treatment and valuation of contingent considerations which are part of Business combinations.

Management makes estimates of the fair value of acquired assets, liabilities, and contingent liabilities. Depending on the nature of the item, the determined fair value of an item may be associated with uncertainty and possibly adjusted subsequently.

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

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

- 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 expenses all development costs as incurred.

Accordingly, the Group has not recognised such assets at this time. The total research and development costs related to operations in the 12-months periods ended at December 31, 2022 and December 31, 2021 amounted to DKK 67.1 million and DKK 43.1 million, respectively.

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).

There were no grants during 2021 and 2022.

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 2022. Lenus has assessed that the new or amended standards and interpretations have not had any material impact on Lenus' Annual Report in 2022.

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:

	2022 TDKK	**2021 TDKK**
Service		
LPS platform access	172,972	99,510
Sales support services	38,130	26,085
Onboarding and website services	10,870	10,115
Total revenue	**221,972**	**135,710**
Geographical area		
Europe	182,201	134,587
North America	36,631	886
Rest of the world	4,140	237
Total revenue	**221,972**	**135,710**
Timing of revenue recognition		
Revenue recognized at a point in time	49,368	36,728
Revenue recognized over time	172,604	98,982
Total revenue	**221,972**	**135,710**

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

	2022 TDKK	2021 TDKK
Staff costs		
Wages/salaries	240,737	121,590
Share-based compensation expenses (note 6)	2,095	7,300
Pension costs	2,607	3,263
Other social security costs	5,383	3,773
Total staff costs	**250,822**	**135,926**
Average number of employees during the year	392	216
Total staff costs are included in the income statement as follows:		
Research and development costs	38,551	43,355
Sales and marketing expenses	144,893	51,656
General and administrative expenses	60,319	32,626
Cost of sales	7,059	8,289
Total staff costs	**250,822**	**135,926**

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 2022 and 2021.

6. 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 DKK 1 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, 2022 and the 12-months period ended December 31, 2021:

6. Share-based compensation expenses – continued –

	Executive Management	Employees	Board of Directors	Total warrants
Outstanding at January 1, 2021	**0**	**999**	**3,684**	**4,683**
Granted	0	0	0	0
Forfeited	0	-384	0	-384
Exercised	0	0	-3,391	-3,391
Outstanding at December 31, 2021	**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**

The weighted average remaining contractual life of the warrants outstanding as of December 31, 2022 and December 31, 2021 was 8 years and 9 years, respectively.

The weighted average exercise prices of the warrants outstanding as of December 31, 2022 and December 31, 2021 were DKK 1.

Share-based compensation recognised in the income statement:

	2022 TDKK	2021 TDKK
Research and development costs	0	3,010
Sales and marketing expenses	1,762	1,737
General and administrative expenses	334	2,553
Total share-based compensation recognized in the income statement	**2,096**	**7,300**

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

7. Financial income

	2022 TDKK	2021 TDKK
Foreign exchange gain	11,870	7,462
Other	12	0
Total financial income	**11,882**	**7,462**

8. Financial expenses

	2022 TDKK	2021 TDKK
Foreign exchange losses	24	2,175
Interest expenses, lease liabilities	2,255	663
Other	411	1,355
Total financial expenses	**2,690**	**4,193**

9. Intangible assets

	Goodwill TDKK	Technology and Customer base TDKK	Total TDKK
Cost at January 1, 2021	0	0	0
Exchange rate adjustment	0	0	0
Additions	47,574	29,561	77,135
Disposals	0	0	0
Cost at January 1, 2022	47,574	29,561	77,135
Exchange rate adjustment			
Additions	0	0	0
Disposals	0	0	0
Cost at December 31, 2022	47,574	29,561	77,135
Accumulated depreciation at January 1, 2021	0	0	0
Exchange rate adjustment	0	0	0
Depreciation expense	0	1,848	1,848
Write-down	0	0	0
Disposals	0	0	0
Accumulated depreciation at January 1, 2022	0	1,848	1,848
Exchange rate adjustment			
Depreciation expense	0	7,390	7,390
Write-down	47,574	0	47,574
Disposals	0	0	0
Accumulated depreciation at December 31, 2022	47,574	9,238	54,964
Total net carrying value at:			
December 31, 2021	47,574	27,713	75,287
December 31, 2022	0	20,323	20,323
Depreciated over		4 years	
Remaining period		2.75 years	

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

9. Intangible assets – continued –

Impairment test of Goodwill

Goodwill is monitored by management at group level. Goodwill relates to the acquisition of Zenfit in September 2021.

The group tests whether goodwill has suffered any impairment on an annual basis. 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 8 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 amd Customer base expense is included in the income statement as follows:

	2022 TDKK	2021 TDKK
Cost of sales	0	0
Research and development costs	3,650	1,848
Sales and marketing expenses	3,740	0
General and administrative expenses	0	0
Total depreciation expense	**7,390**	**1,848**

10. Property, plant and equipment

	Leasehold improvements TDKK	Fixtures and fittings, other plant and equipment TDKK	Right-of-use assets TDKK	Total TDKK
Cost at January 1, 2021	0	1,022	10,244	11,266
Exchange rate adjustment	0	0	2	2
Additions	170	1,837	26,368	28,375
Disposals	0	0	-6,613	-6,613
Cost at January 1, 2022	170	2,859	30,001	33,030
Exchange rate adjustment	0	5	-1,076	-1,071
Additions	910	2,052	57,327	60,289
Disposals	0	0	-3,546	-3,546
Cost at December 31, 2022	1,080	4,916	82,706	88,702
Accumulated depreciation at January 1, 2021	0	187	3,578	3,765
Exchange rate adjustment	0		0	0
Depreciation expense	31	614	5,535	6,180
Write-down	0	0	12,622	12,622
Disposals	0	0	-5,426	-5,426
Accumulated depreciation at January 1, 2022	31	801	16,309	17,141
Exchange rate adjustment	0	-20	-398	-418
Depreciation expense	89	1,382	18,417	19,888
Write-down	0	0	8,873	8,873
Disposals	0	0	-2,038	-2,038
Accumulated depreciation at December 31, 2022	120	2,163	41,163	43,446
Total net carrying value at:				
December 31, 2021	139	2,058	13,692	15,921
December 31, 2022	960	2,753	41,543	45,256
Depreciated over	5 years	3-5 years	1-5 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 2022 and 2021, the Group recognized an expense of DKK 10,225 thousand and DKK 6,065 respectively, relating to short-term leases and leases of low value assets.

10. Property, plant and equipment – continued –

Leasehold improvements expense

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

	2022 TDKK	2021 TDKK
Cost of sales	3	2
Research and development costs	32	10
Sales and marketing expenses	23	12
General and administrative expenses	31	7
Total leasehold improvements expense	**89**	**31**

Fixtures and fittings, other plant and equipment expense

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

	2022 TDKK	2021 TDKK
Cost of sales	47	40
Research and development costs	346	192
Sales and marketing expenses	562	238
General and administrative expenses	426	144
Total fixtures and fittings, other plant and equipments expense	**1,382**	**614**

Right-of-use-assets expense

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

	2022 TDKK	2021 TDKK
Cost of sales	722	1,073
Research and development costs	4,792	5,224
Sales and marketing expenses	15,248	8,611
General and administrative expenses	6,526	3,894
Total right-of-use-assets expense	**27,288**	**18,802**

11. Trade receivables

The following table summarizes the Group's trade receivables:

	2022 TDKK	2021 TDKK
Trade accounts receivables, customers	25,435	6,324
Total gross trade receivables	**25,435**	**6,324**
Provision for impairment of receivables	6,546	0
Total net trade receivables	**18,889**	**6,324**

31. December 2022	**Loss procentage**	**Receivable Amount**	**Expected Loss**	**Total**
- Not due	0,2%	14,880	28	14,852
- Overdue 1 to 90 days	55,1%	465	256	209
- Overdue 91 to 180 days	40,9%	219	90	129
- Overdue 181 to 360 days	60,2%	5,452	3,282	2,170
- Overdue more than 360 days	65,4%	4,419	2,890	1,529
Total gross trade receivables		**25,435**	**6,546**	**18,889**

31. December 2021	**Loss procentage**	**Receivable Amount**	**Expected Loss**	**Total**
- Not due	0%	3,971	0	3,971
- Overdue 1 to 90 days	0%	784	0	784
- Overdue 91 to 180 days	0%	919	0	918
- Overdue 181 to 360 days	0%	650	0	650
- Overdue more than 360 days	0%	0	0	0
Total gross trade receivables		**6,324**	**0**	**6,324**

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 provision 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.

12. Prepayments

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

13. Shareholders' equity

The following table summarizes the Company's share activity:

DKK	Share capital TDKK
January 1, 2021	**59**
Capital decrease	-5
Capital increase	11
December 31, 2021	**65**
Capital decrease	0
Capital increases	0
December 31, 2022	**65**

On December 31, 2022 and December 31, 2021, the share capital of the Company comprised 64,718 shares and 64,718 shares, respectively with a nominal value of DKK 1 each. Each share entitles the holder to cast one vote at general meetings in the Company.

On December 31, 2022 and December 31, 2021, Lenus eHealth ApS' holding of own shares constitutes 435 shares and 0 shares, respectively with a nominal value of DKK 1, equal to 0.7 % and 0 % of the share capital, respectively.

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

14. Income tax and deferred tax

	2022 TDKK	2021 TDKK
Current tax on net profit/loss before tax	31,646	9,581
Adjustment to prior years	-357	0
Tax credit research and development expenses	0	5,500
Provision for income tax	-1,586	-377
Change in deferred tax	1,585	0
Change in unrecognized deferred tax	-31,646	-9,581
Total income tax benefit for the period	**-358**	**5,123**

Reconciliation of effective tax rate to Danish statutory tax rate

	December 31, 2022 TDKK	December 31, 2021 TDKK
Net profit/loss before tax	-192,759	-63,385
Corporate income tax rate in Denmark	22%	22%
Computed income tax benefit	**42,407**	**13,945**
Tax effect of:		
Effect of (higher)/lower tax rates in foreign subsidiaries	73	-110
Adjustment to prior years	-357	0
Utilized losses in joint taxation	11	0
Other non-deductible expenses, including share-based compensation	-10,534	-595
Increased tax deductions on research and development expenses	1,958	1,731
Deferred tax asset not recognized	-33,914	-9,848
Total income tax benefit for the period	**-358**	**5,123**

14. Income tax and deferred tax – continued –

	2022 TDKK	2021 TDKK
Corporation tax receivable at January 1	5,681	244
Received/paid corporate tax during the financial year	-5,624	-63
Calculated corporate tax current year	0	5,500
Corporation tax receivable (current)	**57**	**5,681**

	2022 TDKK	2021 TDKK
Corporation tax payable at January 1	708	-129
Adjustment to prior years	361	0
Received/paid corporate tax during the financial year	-532	-202
Calculated corporate tax current year	1,586	-377
Corporation tax payable (current)	**2,124**	**-708**

Deferred tax in the balance sheet

	December 31, 2022 TDKK	December 31, 2021 TDKK
Deductible tax losses	38,302	7,452
Other temporary differences	430	-2,760
	38,732	4,692
Deferred tax asset not recognized	-43,246	-10,797
Carrying amount	**-4,514**	**-6,105**

The Group has net tax loss carry-forwards in Denmark for income tax purposes with a value of DKK 38,302 thosuand and DKK 7,452 thousand as of December 31, 2022 and December 31, 2021.

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 DKK 8.9 million of taxable income plus 60% of taxable income above DKK 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, 2022, there are no ongoing tax audits nor has Management been notified of any pending tax audit. As of December 31, 2022, the tax years that remain open for audit by the Danish tax authorities include 2016 through 2022.

15. 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	**2022 TDKK**	**2021 TDKK**
Non-current lease liabilities	37,140	22,764
Current lease liabilities	27,036	6,359
Total lease liabilities	**64,176**	**29,123**

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

16. 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, 2022 the Group held cash and cash equivalents totaling DKK 81.0 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, 2023.

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 and United States of America and uses the DKK as its functional currency in Denmark, SWE in Sweden, GBP in the UK, USD in the US and EUR in Germany. The Group conducts cross-border transactions where the functional currency is not always used. Accordingly, future changes in the exchange rates of the DKK and/or the SEK, GBP, USD and EUR 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, 2022 and December 31, 2021, 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 DKK would be as follows:

Currency	**Possibl e change**	**2022 TDKK**	**2021 TDKK**
SEK	+/-10%	+113 / (113)	+9 / (9)
GBP	+/-10%	+272 / (272)	+138 / (138)
USD	+/-10%	+162 / (162)	+0 / (0)
EUR	+/-2%	+19 / (19)	+14 / (14)

16. 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 receivable 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, 2022					
Lease liabilities	23,067	22,640	11,837	0	57,544
Trade payables	18,856	0	0	0	18,856
Total	**41,923**	**22,640**	**11,837**	**0**	**76,400**

	Within 1 year	1 – 2 year(s)	2 – 5 years	Over 5 years	Total
Liabilities as at December 31, 2021					
Lease liabilities	7,364	7,290	17,024	0	31,677
Trade payables	10,010	0	0	0	10,010
Total	**17,374**	**7,290**	**17,024**	**0**	**41,687**

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, 2022 or December 31, 2021.

17. 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, 2022, and December 31, 2021 there are no contingent assets or liabilities.

18. Business combinations

	2021 TDKK
	Zenfit ApS
Technology and Customer base	29,561
Property, plant and equipment	599
Deposits	49
Trade receivables	1,117
Cash and cash equivalents	2,249
Lease liabilities	-556
Trade payables	-64
Deferred tax	-6,503
Other liabilities	-911
Net assets	**25,541**
Goodwill	47,574
Consideration paid	**73,115**
Cash flow	
Purchase price	73,115
Less cash received	-2,249
Payment in shares	-31,936
Earn out	-14,040
Net consideration paid	**24.890**

On 30 September 2021, Lenus eHealth ApS acquired 100 % of the shares in the Danish company Zenfit ApS with the purpose of strengthening the Group's position in the market.

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, 2022 and the 12 months ended December 31, 2021.

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, 2022 and the 12-months period ended December 31, 2021, 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 2022 and 2021. 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, 2022.

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

20. Subsequent events

In April 2023, a consortium consisting of new and existing investors agreed to a capital increase of DKK 92.6 million. The capital increase was paid out in April 2023.

Other than the event disclosed above, there were no other events that were required to be reported or disclosed that have not already been included within these financial statements.

Parent company income statement and statement of comprehensive income

Note		2022 TDKK	2021 TDKK
4	Revenue	175,958	131,533
	Costs of sales	-139,811	-72,285
	Gross profit	**36,147**	**59,249**
5, 8	Research and development costs	-54,391	-40,595
5, 8	Sales and marketing expenses	-47,065	-51,514
5, 8	General and administrative expenses	-81,529	-36,050
	Operating profit/loss	**-146,838**	**-68,911**
9	Result of investments in group enterprises	-51,670	0
6	Financial income	9,818	7,374
7	Financial expenses	-1,400	-3,253
	Profit/loss before tax	**-190,090**	**-64,790**
11	Tax for the year	8	5,500
	Net profit/loss for the period	**-190,082**	**-59,290**
	Exchange differences on the translation of foreign operations, net of tax	0	0
	Other comprehensive income for the year, net of tax	**0**	**0**
	Total comprehensive income	**-190,082**	**-59,290**
	Net income attributable to:		
	Shareholders of Lenus eHealth ApS	-190,082	-59,290
	Total	**-190,082**	**-59,290**
	Total comprehensive income attributable to:		
	Shareholders of Lenus eHealth ApS	-190,082	-59,290
	Total	**-190,082**	**-59,290**

Parent Company balance sheet

Note		2022 TDKK	2021 TDKK
	ASSETS		
	Non-current assets		
8	Property, plant and equipment	11,433	12,683
9	Investments in group entities	21,678	73,278
	Deposits	6,893	4,280
	Total non-current assets	**40,004**	**90,241**
	Current assets		
10	Receivables from group entities	17,126	19,437
	Trade receivables	13,161	4,135
12	Corporation tax receivable	57	5,672
	Other receivables	299	2,103
11	Prepayments	3,246	0
	Cash and cash equivalents	63,936	208,650
	Total current assets	**97,825**	**239,997**
	TOTAL ASSETS	**137,829**	**330,239**
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	65	65
	Share premium	0	0
	Retained earnings	75,137	274,417
	Total equity	**75,202**	**274,482**
	Non-current liabilities		
13	Lease liabilities	20,865	20,825
	Debt to shareholders	0	7,020
	Other payables and accruals	0	0
	Total non-current liabilities	**20,865**	**27,845**
	Current liabilities		
	Payables to group entities	2.443	697
13	Lease liabilities	9,052	4,848
	Debt to shareholders	7,020	7,020
	Other debt	0	0
	Trade payables	18,219	9,643
	Other payables and accruals	5,028	5,697
12	Income tax payables	0	0
12	Provision for deferred tax	0	8
	Total current liabilities	**41,762**	**27,912**
	Total liabilities	**62,627**	**55,757**
	TOTAL EQUITY AND LIABILITIES	**137,829**	**330,239**

Parent Company statement of changes in equity

	Note	Share capital TDKK	Share premium TDKK	Retained earnings TDKK	Total TDKK
Equity as of January 1, 2021		**59**	**0**	**13,729**	**13,788**
Net profit/loss for the period		0	0	-59,290	-59,290
Other comprehensive income for the period		0	0	0	0
Total comprehensive income		0	0	**-59,290**	**-59,290**
Cash decrease		-5	0	5	**0**
Capital increase		11	313,405	0	**313,416**
Transfer to retained earnings		0	-313,405	313,405	**0**
Transaction cost		0	0	-818	**-818**
Share-based payment expense		0	0	7,300	**7,300**
Equity as of December 31, 2021		**65**	**0**	**274,417**	**274,482**

	Share capital TDKK	Share premium TDKK	Retained earnings TDKK	Total TDKK
Equity as of January 1, 2022	**65**	**0**	**274,417**	**274,482**
Net profit/loss for the period	0	0	-190,082	-190,082
Other comprehensive income for the period	0	0	0	0
Total comprehensive income	0	0	**-190,082**	**-190,082**
Share-based payment expense	0	0	2,096	**2,096**
Purchase of own shares	0	0	-11,292	**-11,292**
Equity as of December 31, 2022	**65**	**0**	**75,137**	**75,202**

Parent Company cash flow statement

	Note	2022 TDKK	2021 TDKK
Operating activities			
Profit/loss before tax		-190,090	-64,790
Reversal of non-paid financial income	6	-9,818	-3,253
Reversal of non-paid financial expenses	7	1,400	7,374
Reversal of write-down of investments in group enterprises		51,670	0
Depreciation, amortization and impairment	8	14,844	16,655
Other non-cash items		0	-2,401
Adjustments to reconcile loss before tax to cash flows from operating activities			
Share-based payment expense		2,096	7,300
Changes in receivables from group enterprises	10	2,311	-15,144
Change in trade receivables		-9,026	-214
Change in other receivables		1,804	-2,073
Change in prepayments		-3,246	0
Changes in payables to group enterprises		1,746	208
Change in trade payables		8,576	5,812
Change in other payables		-669	-7,143
Change in other debts		-7,020	0
Cash flows from taxes	12	5,615	-784
Interest received	6	0	0
Interest paid	7	9,567	-642
Net cash flow used in operating activities		**-120,240**	**-59,065**
Investing activities			
Purchase of own shares		-11,292	0
Deposits		-2,612	-3,922
Investment in non-current assets	8	-2,199	-1,491
Investment in subsidiary	9	-70	-59,076
Net cash flow used in investing activities		**-16,173**	**-64,489**
Financing activities			
Capital contributions from shareholders		0	313,416
Change in other debts		0	0
Lease payment		-8,299	-2,195
Net cash provided by financing activities		**-8,299**	**311,221**
Net change in cash and cash equivalents		**-144,714**	**187,668**
Net foreign exchange differences		0	0
Cash and cash equivalents at the beginning of the period		208,650	20,982
Cash and cash equivalents at the end of the period		**63,936**	**208,650**

Parent Company 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. Employee benefit expenses
6. Financial income
7. Financial expenses
8. Property, plant and equipment
9. Investment in subsidiaries
10. Receivables from group entities
11. Prepayments
12. Income tax and deferred tax
13. Leases
14. Contractual obligations and contingencies
15. Related party disclosures
16. Subsequent events

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, 2022 were authorised for approval at the Annual General Meeting to be held on June 29, 2023, with a resolution of the Board of Directors on June 27, 2023.

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. The parent company financial statements are presented in Danish Kroner, or DKK, which is the functional and presentation currency of the Parent Company. Where indicated, amounts are rounded to the nearest thousand, or TDKK.

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.

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 9 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:

	2022 TDKK	**2021 TDKK**
Service		
LPS platform access	137,147	95,848
Sales support services	32,864	26,054
Onboarding and website services	5,947	9,631
Total revenue	**175,958**	**131,533**
Geographical area		
Europe	171,818	131,169
North America	0	127
Rest of the world	4,140	237
Total revenue	**175,958**	**131,533**
Timing of revenue recognition		
Revenue recognized at a point in time	39,180	36,213
Revenue recognized over time	136,778	95,320
Total revenue	**175,958**	**131,533**

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

	2022 TDKK	2021 TDKK
Staff costs		
Wages/salaries	117,148	81,024
Share-based compensation expenses	2,096	0
Pension costs	710	858
Other social security costs	1,681	719
Total staff costs	**121,635**	**82,601**
Average number of employees during the year	196	130
Total staff costs are included in the income statement as follows:		
Costs of sales	6,028	5,323
Research and development costs	35,538	25,909
Sales and marketing expenses	30,585	32,057
General and administrative expenses	49,484	19,312
Total staff costs	**121,635**	**82,601**

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 2022 and 2021.

6. Financial income

	2022 TDKK	2021 TDKK
Foreign exchange gain	9,810	7,374
Other	8	
Total financial income	**9,818**	**7,374**

7. Financial expenses

	2022 TDKK	2021 TDKK
Foreign exchange losses	23	642
Interest expenses, lease liabilities	1,149	454
Other	228	2,157
Total financial expenses	**1,400**	**3,253**

8. Property, plant and equipment

	Leasehold improvements TDKK	Fixtures and fittings, other plant and equipment TDKK	Right-of-use assets TDKK	Total TDKK
Cost at January 1, 2021	0	929	3,881	4,809
Additions	132	1,359	25,725	27,217
Disposals	0	0	-3,881	-3,881
Cost at January 1, 2022	132	2,288	25,725	28,145
Additions	909	1,289	11,394	13,592
Disposals	0	0	0	0
Cost at December 31, 2022	1,041	3,577	37,121	41,737
Accumulated depreciation at January 1, 2021	0	176	2,210	2,386
Depreciation expense	20	500	3,513	4,033
Write-down	0	0	12,622	12,622
Disposals	0	0	-3,580	-3,580
Accumulated depreciation at January 1, 2022	20	676	14,765	15,461
Depreciation expense	71	1,019	4,880	5,970
Write-down	0	0	8,873	8,873
Disposals	0	0	0	0
Accumulated depreciation at December 31, 2022	91	1,695	28,518	30,304
Total net carrying value at:				
December 31, 2021	112	1,612	10,960	12,684
December 31, 2022	950	1,882	8,601	11,433
Depreciated over	5 years	3-5 years	1-5 years	

Right-of-use assets
The Company has entered into a lease agreement for its offices in Copenhagen and Aarhus, Denmark.

For 2022 and 2021, the Company recognized an expense of DKK 7,458 thousand and DKK 2,969 thousand respectively, relating to short-term leases and leases of low value assets.

8. Property, plant and equipment – continued –

Leasehold improvements expense

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

	2022 TDKK	2021 TDKK
Cost of sales	3	1
Research and development costs	24	6
Sales and marketing expenses	16	8
General and administrative expenses	28	5
Total leasehold improvements expense	**71**	**20**

Fixtures and fittings, other plant and equipment expense

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

	2022 TDKK	2021 TDKK
Cost of sales	44	32
Research and development costs	343	157
Sales and marketing expenses	235	194
General and administrative expenses	397	117
Total fixtures and fittings, other plant and equiment expense	**1,019**	**500**

Right-of-use-assets expense

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

	2022 TDKK	2021 TDKK
Costs of sales	599	1,073
Research and development costs	4,629	5,224
Sales and marketing expenses	3,171	6,464
General and administrative expenses	5,354	3,894
Total right-of-use-assets expense	**13,753**	**16,655**

9. Investments in subsidiaries

	2022 TDKK	2021 TDKK
Cost at January 1	73,278	226
Additions during the year	70	73,052
Cost at December 31	**73,348**	**73,278**
Impairment losses at January 1	0	0
Impairment losses during the year	-51,670	0
Impairment losses at December 31	**-51.670**	**0**
Total net carrying value at:		
January 1	73,278	226
December 31	21,678	73,278

Subsidiary	Registered office	Ownership interest (%)	Share capital	Equity	Profit/loss for the year
LPS eHealth Software AB	Sweden	100	50 (TSEK)	2,481 (TSEK)	2,094 (TSEK)
LPS eHealth Software Ltd.	UK	100	0 (TGBP)	481 (TGBP)	100 (TGBP)
LPS eHealth Software GmbH	Germany	100	25 (TEUR)	251 (TEUR)	123 (TEUR)
Lenus eHealth Inc	US	100	0 (TUSD)	-386 (TUSD)	-492 (TUSD)
Zenfit ApS	Denmark	100	40 (TDKK)	-901 (TDKK)	-2,448 (TDKK)
Lenus eHealth Software Spain, S.L.U.	Spain	100	3 (TEUR)	3 (TEUR)	0 (TEUR)
LPS eHealth Software NO AS	Norway	100	3 (TNOK)	3 (TNOK)	0 (TNOK)
'LPS eHealth Software FI Oy	Finland	100	4 (TEUR)	4 (TEUR)	0 (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 9) 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.

10. Receivables from group entities

	2022 TDKK	2021 TDKK
Receivables from group entities at January 1	19,437	4,323
Transactions during the year	-2,311	15,114
Receivables from group entities at December 31	**17,126**	**19,437**
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	19,437	4,323
December 31	17,126	19,437

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, 2022 and the 12-months period ended December 31, 2021, the Parent Company has not recorded any impairment of receivables relating to amounts owed by related parties.

11. Prepayments

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

12. Income tax and deferred tax

	2022 TDKK	2021 TDKK
Current tax on net profit/loss before tax	31,646	9,890
Adjustment to prior years	8	0
Tax credit research and development expenses	0	5,500
Provision of income tax	0	0
Other changes	0	0
Change in unrecognised deferred tax during the year	-31,646	-9,890
Total income tax benefit for the period	**8**	**5,500**

12. Income tax and deferred tax – continued-

Reconciliation of effective tax rate to Danish statutory tax rate

	December 31, 2022 TDKK	December 31, 2021 TDKK
Net profit/loss before tax	-190,090	-64,790
Corporate income tax rate in Denmark	22%	22%
Computed income tax benefit	**41,820**	**14,254**
Tax effect of:		
Adjustment to prior years	8	0
Utilised losses in joint taxation	11	0
Other non-deductible expenses, including share-based compensation etc.	-11,951	-595
Increased tax deductions on research and development expenses	1,766	1,731
Deferred tax not recognised during the year	-31,646	-9,890
Total income tax benefit for the period	**8**	**5,500**

	2022 TDKK	2021 TDKK
Corporation tax receivable at January 1	5,672	215
Received/paid corporation tax during the financial year	-5,615	-43
Calculated corporation tax current year	0	5,500
Corporation tax receivable (current)	**57**	**5,672**

	2022 TDKK	2021 TDKK
Corporation tax payable at January 1	0	0
Received/paid corporation tax during the financial year	0	0
Calculated corporation tax current year	0	0
Corporation tax payable (current)	**0**	**0**

12. Income tax and deferred tax – continued-

Deferred tax in the balance sheet

	December 31, 2022 TDKK	December 31, 2021 TDKK
Deductible tax losses	37,499	7,452
Other temporary differences	4,944	3,345
	42,443	10,797
Deferred tax asset not recognized	-42,443	-10,797
Carrying amount	**0**	**0**

The Company has net tax loss carry-forwards in Denmark for income tax purposes with a tax value of DKK 37,499 thousand and DKK 7,452 thousand as of December 31, 2022 and December 31, 2021.

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 DKK 8.9 million of taxable income plus 60% of taxable income above DKK 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, 2022, there are no ongoing tax audits nor has Management been notified of any pending tax audit. As of December 31, 2022, the tax years that remain open for audit by the Danish tax authorities include 2016 through 2022.

13. 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	**2022 TDKK**	**2021 TDKK**
Non-current lease liabilities	20,865	20,824
Current lease liabilities	9,052	4,848
Total lease liabilities	**29,917**	**25,672**

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, 2022					
Lease liabilities	3,754	9,706	11,837	0	25,297

	Within 1 year	**1 – 2 year(s)**	**2 – 5 years**	**Over 5 years**	**Total**
December 31, 2021					
Lease liabilities	5,748	5,835	16,491	0	28,074

14. 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 2021 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment. As of December 31, 2022, there are no coporation tax payable for the Danish joint taxation.

15. 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, 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 2022 and 2021, the Company recognised DKK 122,548 thousand and DKK 57,055 thousand respectively in cost of sales, for the services provided by the sales service providers.

Refer to note 10 for further information on receivables from group entities.

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

16. Subsequent events

In April 2023, a consortium consisting of new and existing investors agreed to a capital increase of DKK 92.6 million. The capital increase was paid out in April 2023.

Other than the event disclosed above, there were no other events that were required to be reported or disclosed that have not already been included within these financial statements.