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SMARTRESQ APS
LUNDEVEJ 26, 5700 SVENDBORG
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 30 June 2024**

Per Schorling

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COMPANY DETAILS

Company	SmartResQ ApS Lundevej 26 5700 Svendborg CVR No.: 38 67 41 02 Established: 30 May 2017 Municipality: Svendborg Financial Year: 1 January - 31 December
Board of Directors	Michael Rørmand Gervig, chairman Matthias Roth Per Schorling Michael Patrick Müller John Blom Iversen Benny Ole Smith
Executive Board	Per Schorling
Auditor	BDO Statsautoriseret revisionsaktieselskab Kolding Åpark 8A, 7. sal 6000 Kolding
Bank	Fynske Bank Centrumpladsen 19 5700 Svendborg

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of SmartResQ ApS for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Svendborg, 19 June 2024

Executive Board

Per Schorling

Board of Directors

Michael Rørmand Gervig
Chairman

Matthias Roth

Per Schorling

Michael Patrick Müller

John Blom Iversen

Benny Ole Smith

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of SmartResQ ApS

Opinion

We have audited the Financial Statements of SmartResQ ApS for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Material uncertainty relating to Going Concern

We draw attention to the note "Information on uncertainty with respect to going concern" of the financial statements concerning the Company's ability to continue as a going concern. The matters explained in the note relating to funding indicate the existence of a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management Commentary

Management is responsible for Management Commentary.

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

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

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

Based on the work we have performed, we conclude that Management Commentary 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 Management Commentary.

Kolding, 20 June 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Jørn Holm
State Authorised Public Accountant
MNE no. mne35808

MANAGEMENT COMMENTARY

Principal activities

The principal activities comprise of development, manufacture, operation and sale of life saving technologies and related activities.

Unusual matters

There have been a change resulting from material misstatement in prior year. Changes are described in a separate section in the applied accounting policies.

Development in activities and financial and economic position

The loss for the year amounted to DKK ('000) -5,600 (2022: DKK ('000) -7,370).

At the end of 2023, the company's equity amounts to DKK ('000) -11,221.

The financial statements have been prepared assuming the Company will continue as a going concern.

The management expects, based on the sales forecast and related cash flows, that the company will have the necessary funding available to carry out operations in 2024. This is primarily based on significant growth in revenue compared to 2023. It is on that basis they continue to adopt the going concern basis of accounting in preparing these financial statements.

If revenue and associated cash flows are not realized according to budget, for whatever reason, it is likely that there will be a funding shortfall and therefore need for additional funding to carry out the budgeted operations in 2024. At present, management does not expect this to be necessary, and therefore, the procurement of financing has not been initiated. The ability to continue as a going concern is therefore at the current time entirely dependent on realizing the expected growth in revenue and associated cash flows, which indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK '000
GROSS LOSS		-532.357	-3.201
Staff costs.....	1	-3.727.351	-3.185
Depreciation, amortisation and impairment losses for tangible and intangible assets.....		0	-2
OPERATING LOSS		-4.259.708	-6.388
Other financial income.....		10.230	0
Other financial expenses.....		-1.324.505	-1.778
LOSS BEFORE TAX		-5.573.983	-8.166
Tax on profit/loss for the year.....	2	-25.897	796
LOSS FOR THE YEAR		-5.599.880	-7.370
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		-5.599.880	-7.370
TOTAL		-5.599.880	-7.370

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK '000
Other plant, fixtures and equipment.....		258.828	0
Tangible fixed assets in progress.....		0	131
Property, plant and equipment.....	3	258.828	131
NON-CURRENT ASSETS.....		258.828	131
Expenses for raw materials and consumables.....		359.154	380
Finished goods and goods for resale.....		1.612.575	38
Prepayments.....		412.136	0
Inventories.....		2.383.865	418
Trade receivables.....		47.216	29
Other receivables.....		36.857	203
Corporation tax receivable.....		0	835
Prepayments.....		38.575	32
Receivables.....		122.648	1.099
Cash and cash equivalents.....		1.411.573	4.086
CURRENT ASSETS.....		3.918.086	5.603
ASSETS.....		4.176.914	5.734

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK '000
Share Capital.....		91.447	91
Share Premium.....		11.323.546	11.324
Retained earnings.....		-22.636.068	-17.036
EQUITY.....		-11.221.075	-5.621
Debt to owners and Management.....		12.259.367	10.023
Non-current liabilities.....	4	12.259.367	10.023
Bank debt.....		1.568.951	0
Trade payables.....		754.385	1.144
Other liabilities.....		757.215	173
Deferred income.....		58.071	15
Current liabilities.....		3.138.622	1.332
LIABILITIES.....		15.397.989	11.355
EQUITY AND LIABILITIES.....		4.176.914	5.734
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EQUITY

DKK	Share Capital	Share Premium	Retained earnings	Total
Equity at 1 January 2023.....	91.447	11.323.546	-14.811.240	-3.396.247
Change of equity due to correction of errors.....			-2.224.948	-2.224.948
Adjusted equity at 1 January 2023.....	91.447	11.323.546	-17.036.188	-5.621.195
Proposed profit allocation.....			-5.599.880	-5.599.880
Equity at 31 December 2023.....	91.447	11.323.546	-22.636.068	-11.221.075

There have been a change resulting from material misstatement in prior year. Changes are described in a separate section in the applied accounting policies.

NOTES

	2023 DKK	2022 DKK '000	Note	
Staff costs			1	
Average number of full time employees	6	5		
Wages and salaries.....	3.495.611	2.982		
Pensions.....	54.605	54		
Social security costs.....	177.135	149		
	3.727.351	3.185		
Tax on profit/loss for the year			2	
Calculated tax on taxable income of the year.....	25.897	-796		
	25.897	-796		
Property, plant and equipment			3	
	Other plant, fixtures and equipment	Tangible fixed assets in progress		
Cost at 1 January 2023.....	18.959	131.263		
Transferred.....	131.263	-131.263		
Additions.....	127.565	0		
Disposals.....	-18.959	0		
Cost at 31 December 2023.....	258.828	0		
Depreciation and impairment losses at 1 January 2023.....	18.959			
Reversal of depreciation of assets disposed of.....	-18.959			
Depreciation and impairment losses at 31 December 2023....	0			
Carrying amount at 31 December 2023.....	258.828	0		
Long-term liabilities			4	
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Debt to owners and Management.....	12.259.367	0	12.259.367	10.023.119
	12.259.367	0	12.259.367	10.023.119
<p>The maturity of long-term liabilities depends on future earnings and liquidity conditions. Therefore, repayment next year and debt outstanding after 5 years cannot be reliably determined.</p>				
Contingencies etc.				5
Contingent assets				
<p>The Company has a significant deferred tax asset. The tax asset relates primarily to unutilised tax losses. The value of the tax asset represent DKK ('000) 3,484.</p>				

NOTES**Note****Charges and securities****6**

Property, plant and equipment, inventories and trade receivable with a carrying amount of DKK (000) 2,690, has been provided as security for bank debt.

Information on uncertainty with respect to going concern**7**

The financial statements have been prepared assuming the Company will continue as a going concern.

The management expects, based on the sales forecast and related cash flows, that the company will have the necessary funding available to carry out operations in 2024. This is primarily based on significant growth in revenue compared to 2023. It is on that basis they continue to adopt the going concern basis of accounting in preparing these financial statements.

If revenue and associated cash flows are not realized according to budget, for whatever reason, it is likely that there will be a funding shortfall and therefore need for additional funding to carry out the budgeted operations in 2024. At present, management does not expect this to be necessary, and therefore, the procurement of financing has not been initiated. The ability to continue as a going concern is therefore at the current time entirely dependent on realizing the expected growth in revenue and associated cash flows, which indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

ACCOUNTING POLICIES

The Annual Report of SmartResQ ApS for 2023 has been presented in accordance with the provisions of the Financial Statements Act for Danish enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

Change resulting from material misstatement

Debt to owners and Management are recognised as non-current liabilities instead of current liabilities. Changes have no effect on the income statement or equity for both current and prior year.

In the presentation of the 2022 annual report, a deferred tax asset of DKK ('000) 2,225 was recognized in the balance sheet. It has been determined that the conditions for recognizing the asset were not present at the time of preparing the 2022 annual report. Consequently, the error has been corrected as a material misstatement and adjustment with restatement of the comparative figures.

INCOME STATEMENT

Net revenue

Net revenue from the sale of finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

ACCOUNTING POLICIES

BALANCE SHEET

Tangible fixed assets

Production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Production plant and machinery.....	1-5 years	0 %
Other plant, fixtures and equipment.....	1-5 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Impairment of fixed assets

The carrying amount of tangible assets, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods includes the cost of raw materials, consumables, direct payroll cost and other direct production cost.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash at bank.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.