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# *Sonohaler ApS*

Diplomvej 373, DK-2800 Kongens Lyngby

## Annual Report for 2023

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CVR No. 39 30 46 35

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 2/7 2024

Ashwini Pradhan  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Sonohaler ApS for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. The Company complies with the exemption provisions governing the omission to have its Financial Statements audited.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

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

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

Kongens Lyngby, 17 June 2024

## Executive Board

Ashwini Pradhan

Adam Jun Bohr

## Board of Directors

Adam Jun Bohr

Jorrit Jeroen Water

Ashwini Pradhan

Christopher Hellberg

# Practitioner's Statement on Compilation of Financial Statements

To the Management of Sonohaler ApS

We have compiled the Financial Statements of Sonohaler ApS for the financial year 1 January - 31 December 2023 on the basis of the Company's accounting records and other information you have provided.

The Financial Statements comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.

We performed our work in accordance with ISRS 4410, Engagements to Compile Financial Information.

Based on our professional expertise, we have assisted you with the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), including the principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information forming the basis of the compilation of the Financial Statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are under no duty to verify the accuracy or completeness of the information you provided to us to compile the Financial Statements. Accordingly, we express no audit opinion or review opinion as to whether the Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

Hellerup, 17 June 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Mads Lundemann

State Authorised Public Accountant

mne44181

## Company information

<b>The Company</b>	Sonohaler ApS Diplomvej 373 2800 Kongens Lyngby  CVR No: 39 30 46 35 Financial period: 1 January - 31 December Incorporated: 1 February 2018 Financial year: 6th financial year Municipality of reg. office: Kongens Lyngby
<b>Board of Directors</b>	Adam Jun Bohr Jorrit Jeroen Water Ashwini Pradhan Christopher Hellberg
<b>Executive Board</b>	Ashwini Pradhan Adam Jun Bohr
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

# Management's review

## Key activities

The key activities are development of next-gen digital inhaler solutions based on acoustical technologies and AI, enabling enhanced management of acute and chronic respiratory conditions.

In the past year Sonohaler ApS has made rapid strides, marked by signing of the first commercial contract, launch of a digital product for dry powder inhalers, participation in key industry events, and awarding of a key patent.

Looking ahead, we are cautiously optimistic about the future. Our focus will be on:

**Innovation:** Developing new products and features to meet customer needs and stay ahead of the industry.

**Growth:** Pursuing strategic partnerships to expand our market footprint.

**Financial Resilience:** Focusing on strengthening our balance sheet, and diversifying revenue streams to ensure Sonohaler is well-equipped to navigate uncertainties and seize future opportunities.

**Team Building:** Building a cohesive, motivated, and high-performing team is essential for sustaining our growth and achieving our organisational goals.

We are confident that with our strategic vision, commercial acumen, and dedicated team, Sonohaler is well-positioned to navigate the challenges and opportunities of the coming year.

## Development in the year

The income statement of the Company for 2023 shows a profit of DKK 168,101, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 565,437.

## Capital resources

Formata Ltd and Bohring Aps have submitted a letter of support that they will provide the company with financial support and loans extended and additional future loans that will be extended to Sonohaler ApS will not be called unless the liquidity position of Sonohaler ApS is adequate to justify such repayment so that the company can pay and settle its obligations in line with these due dates.

The letter of support is effective until the point in time where the annual report for Sonohaler for 2024 is approved by the general meeting and published.

On this basis, the management assesses that the company has adequate capital resources.

Reference is also made to the mention in note 1.

## Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
<b>Gross profit/loss</b>		<b>684,162</b>	<b>-127,990</b>
Staff expenses	3	-365,235	-146,454
Amortisation and impairment losses of intangible assets		-99,467	-38,276
<b>Profit/loss before financial income and expenses</b>		<b>219,460</b>	<b>-312,720</b>
Financial income		982	0
Financial expenses		-52,341	-25,551
<b>Profit/loss before tax</b>		<b>168,101</b>	<b>-338,271</b>
Tax on profit/loss for the year	4	0	101,049
<b>Net profit/loss for the year</b>		<b>168,101</b>	<b>-237,222</b>
 <b>Distribution of profit</b>			
		2023	2022
		DKK	DKK
<b>Proposed distribution of profit</b>			
Retained earnings		168,101	-237,222
		<b>168,101</b>	<b>-237,222</b>

## Balance sheet 31 December

### Assets

	Note	2023	2022
		DKK	DKK
Completed development projects		329,174	421,037
Acquired patents		488,534	185,890
<b>Intangible assets</b>	<b>5</b>	<b>817,708</b>	<b>606,927</b>
Investments in subsidiaries	6	1,149	1,149
Deposits	7	30,061	0
<b>Fixed asset investments</b>		<b>31,210</b>	<b>1,149</b>
<b>Fixed assets</b>		<b>848,918</b>	<b>608,076</b>
Other receivables		377,682	11,299
Corporation tax		0	101,049
Prepayments		30,000	0
<b>Receivables</b>		<b>407,682</b>	<b>112,348</b>
<b>Cash at bank and in hand</b>		<b>198,849</b>	<b>25,455</b>
<b>Current assets</b>		<b>606,531</b>	<b>137,803</b>
<b>Assets</b>		<b>1,455,449</b>	<b>745,879</b>



## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		46,883	43,712
Share premium account		0	0
Reserve for development costs		256,756	328,409
Retained earnings		261,798	-428,316
<b>Equity</b>		<b>565,437</b>	<b>-56,195</b>
Other payables		180,000	210,000
Deferred income		183,238	254,169
<b>Long-term debt</b>	8	<b>363,238</b>	<b>464,169</b>
Trade payables		37,213	33,929
Payables to owners and Management		318,209	173,045
Other payables	8	100,421	60,000
Deferred income	8	70,931	70,931
<b>Short-term debt</b>		<b>526,774</b>	<b>337,905</b>
<b>Debt</b>		<b>890,012</b>	<b>802,074</b>
<b>Liabilities and equity</b>		<b>1,455,449</b>	<b>745,879</b>
Going concern	1		
Contingent assets, liabilities and other financial obligations	9		
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## Statement of changes in equity

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	43,712	0	328,409	-428,316	-56,195
Cash capital increase	3,171	450,360	0	0	453,531
Depreciation, amortisation and impairment for the year	0	0	-71,653	71,653	0
Net profit/loss for the year	0	0	0	168,101	168,101
Transfer from share premium account	0	-450,360	0	450,360	0
<b>Equity at 31 December</b>	<b>46,883</b>	<b>0</b>	<b>256,756</b>	<b>261,798</b>	<b>565,437</b>

# Notes to the Financial Statements

## 1. Going concern

Formata Ltd and Bohring Aps have submitted a letter of support that they will provide the company with financial support and loans extended and additional future loans that will be extended to Sonohaler ApS will not be called unless the liquidity position of Sonohaler ApS is adequate to justify such repayment so that the company can pay and settle its obligations in line with these due dates. The letter of support is effective until the point in time where the annual report for Sonohaler for 2024 is approved by the general meeting and published.

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>2. Other operating income</b>		
Other income	1,753,260	141,629
	<u>1,753,260</u>	<u>141,629</u>

Gross profit includes other operating income that can be attributed to received grants.

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>3. Staff Expenses</b>		
Wages and salaries	364,099	146,454
Other social security expenses	1,136	0
	<u>365,235</u>	<u>146,454</u>
Average number of employees	<u>1</u>	<u>1</u>

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>4. Income tax expense</b>		
Current tax for the year	0	-101,049
	<u>0</u>	<u>-101,049</u>

# Notes to the Financial Statements

## 5. Intangible fixed assets

	Completed development projects	Acquired patents
	DKK	DKK
Cost at 1 January	459,313	185,890
Additions for the year	0	310,248
Cost at 31 December	<u>459,313</u>	<u>496,138</u>
Impairment losses and amortisation at 1 January	38,276	0
Amortisation for the year	91,863	7,604
Impairment losses and amortisation at 31 December	<u>130,139</u>	<u>7,604</u>
<b>Carrying amount at 31 December</b>	<b><u>329,174</u></b>	<b><u>488,534</u></b>

Development projects include Sono One mobile app, two new technology patents, and investment to support the existing patent application. The development costs are expected to add significant value to Sonohaler's product portfolio and protect Sonohaler's technology globally.

## 6. Investments in subsidiaries

	2023	2022
	DKK	DKK
Cost at 1 January	1,149	1,149
Cost at 31 December	<u>1,149</u>	<u>1,149</u>
<b>Carrying amount at 31 December</b>	<b><u>1,149</u></b>	<b><u>1,149</u></b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Sonohaler LLC	Delaware, USA	100%

# Notes to the Financial Statements

## 7. Other fixed asset investments

	Deposits
	DKK
Cost at 1 January	30,061
Cost at 31 December	30,061
<b>Carrying amount at 31 December</b>	<b>30,061</b>

## 8. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

### Other payables

	2023	2022
	DKK	DKK
After 5 years	0	0
Between 1 and 5 years	180,000	210,000
Long-term part	180,000	210,000
Within 1 year	66,647	60,000
Other short-term payables	33,774	0
	<b>280,421</b>	<b>270,000</b>

### Deferred income

After 5 years	0	0
Between 1 and 5 years	183,238	254,169
Long-term part	183,238	254,169
Other deferred income	70,931	70,931
	<b>254,169</b>	<b>325,100</b>

## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>9. Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
The company has a rental agreement with a notice of termination of 3 months	54,510	0

# Notes to the Financial Statements

## 10. Accounting policies

The Annual Report of Sonohaler ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

### Consolidated financial statements

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

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

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

### Income statement

#### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

#### Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

#### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, direct expenses and other external expenses.

#### Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

# Notes to the Financial Statements

## **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation and impairment of intangible assets.

## **Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets.

## **Income from investments in subsidiaries**

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

## **Financial income and expenses**

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

## **Tax on profit/loss for the year**

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.



# Notes to the Financial Statements

## Balance sheet

### Intangible fixed assets

#### *Development projects*

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 year.

#### *Other intangible fixed assets*

Patents are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 15 years.

### Impairment of fixed assets

The carrying amounts of intangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation.

If so, the asset is written down to its lower recoverable amount.

### Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

### Other fixed asset investments

Other fixed asset investments consist of

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### Prepayments

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

# Notes to the Financial Statements

## Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

## Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

## Financial liabilities

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

## Deferred income

Deferred income comprises payments received in respect of income in subsequent years.