

VentriJect ApS

Ryvangs Allé 81, 2900 Hellerup

CVR no. 39 42 43 71

**Annual report for the period
1 January to 31 December 2020**

Adopted at the annual general meeting on 8 April
2021

Stig Visti Andersen
chairman



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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of VentriJect ApS for the financial year 1 January - 31 December 2020.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Gentofte, 26 March 2021

Executive board

Peter Boman Samuelsen
Director

Samuel Emil Schmidt
Director

Supervisory board

Peter Søggaard
Chairman

Mette Munch

Thomas Nederby Svenningsen

Ole Sørensen

Independent auditor's report

To the shareholders of VentriJect ApS

Opinion

We have audited the financial statements of VentriJect ApS for the financial year 1 January - 31 December 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the 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 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.

Independent auditor's report

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, 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's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 management's review.

Copenhagen, 26 March 2021

Baker Tilly Denmark

Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Morten Friis Munksgaard
statsautoriseret revisor
MNE no. mne34482

Company details

| | |
|-------------------|--|
| The company | VentriJect ApS Ryvangs Allé 81 2900 Hellerup CVR no.: 39 42 43 71 Reporting period: 1 January - 31 December 2020 Incorporated: 7 March 2018 Domicile: Gentofte |
| Supervisory board | Peter Søgaard, chairman Mette Munch Thomas Nederby Svenningsen Ole Sørensen |
| Executive board | Peter Boman Samuelson Samuel Emil Schmidt |
| Auditors | Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby |

Management's review

Business review

The main activity of the company consists of doing business with developing, producing and marketing health tests and equipment for the same, as well as other related business

Financial review

The company's income statement for the year ended 31 December 2020 shows a loss of DKK 1.971.826, and the balance sheet at 31 December 2020 shows equity of DKK 193.688.

VentriJect has been progressing according to the budget and plans for 2020. The sensor for determining cardiorespiratory fitness has been matured, packaging and instruction for use been developed and the sensor is ready for transfer into larger scale of production. First production of patches has been completed. The Covid-19 caused delays in the clinical program but VentriJect succeeded anyway in concluding a sufficient number of patients to make it possible of further improving the validity of the algorithm to achieve a high reproducibility of the determined scores. In collaboration with external partner a first backend has been developed for transforming the recordings by the algorithm into fitness scores.

Financially VentriJect will need injection of capital in 2021 of which the current shareholders are expected to raise 1-2 million DKK and currently interest appears from several new parties. The company has employed a CCO and moved to new premises at TechStation in Hellerup.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

| | Note | 2020 DKK | 2019 DKK |
|--|------|-------------------|-------------------|
| Gross profit | | -1.519.097 | -1.239.274 |
| Staff costs | 1 | -814.755 | 0 |
| Profit/loss before net financials | | -2.333.852 | -1.239.274 |
| Financial income | | 0 | 30 |
| Financial costs | | -192.048 | -31.370 |
| Profit/loss before tax | | -2.525.900 | -1.270.614 |
| Tax on profit/loss for the year | 3 | 554.074 | 279.413 |
| Profit/loss for the year | | -1.971.826 | -991.201 |
| Distribution of profit | | | |
| Retained earnings | | -1.971.826 | -991.201 |
| | | -1.971.826 | -991.201 |

Balance sheet 31 December

| | Note | 2020 DKK | 2019 DKK |
|---------------------------------|------|------------------|------------------|
| Assets | | | |
| Deposits | | 8.400 | 8.400 |
| Fixed asset investments | | 8.400 | 8.400 |
| Total non-current assets | | 8.400 | 8.400 |
| Other receivables | | 420.118 | 339.153 |
| Corporation tax | | 554.074 | 279.413 |
| Receivables | | 974.192 | 618.566 |
| Cash at bank and in hand | | 1.850.958 | 3.726.112 |
| Total current assets | | 2.825.150 | 4.344.678 |
| Total assets | | 2.833.550 | 4.353.078 |

Balance sheet 31 December

| Note | 2020 DKK | 2019 DKK |
|---|------------------|------------------|
| Equity and liabilities | | |
| Share capital | 283.942 | 283.942 |
| Retained earnings | -90.254 | 1.881.572 |
| Equity | 193.688 | 2.165.514 |
| Convertible and profit-yielding instruments of debt | 2.297.577 | 2.127.386 |
| Total non-current liabilities | 2.297.577 | 2.127.386 |
| Trade payables | 89.711 | 50.000 |
| Other payables | 252.574 | 10.178 |
| Total current liabilities | 342.285 | 60.178 |
| Total liabilities | 2.639.862 | 2.187.564 |
| Total equity and liabilities | 2.833.550 | 4.353.078 |

Statement of changes in equity

| | Share capital | Retained earnings | Total |
|------------------------------|-----------------------|-----------------------|-----------------------|
| | DKK | DKK | DKK |
| Equity at 1 January | 283.942 | 1.881.572 | 2.165.514 |
| Net profit/loss for the year | 0 | -1.971.826 | -1.971.826 |
| Equity at 31 December | <u>283.942</u> | <u>-90.254</u> | <u>193.688</u> |

Notes

| | 2020 | 2019 |
|--|-----------------|-----------------|
| | DKK | DKK |
| 1 Staff costs | | |
| Wages and salaries | 721.854 | 0 |
| Other social security costs | 5.952 | 0 |
| Other staff costs | 86.949 | 0 |
| | 814.755 | 0 |
| | | |
| Average number of employees | 2 | 0 |
| | | |
| 2 Special items | | |
| Grants from Innobooster DKK 635.000 are included the company's gross profit. | | |
| | | |
| 3 Tax on profit/loss for the year | | |
| Current tax for the year | -554.074 | -279.413 |
| | -554.074 | -279.413 |

Accounting policies

The annual report of VentriJect ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

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

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross loss is a combination of revenue and other external costs.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

Accounting policies

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts etc.

Staff costs

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. The item is net of refunds made by public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Other investments

Other financial assets, which consist of deposit, are measured at amortised cost.

Receivables

Receivables are measured at amortised cost.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Accounting policies

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.