
Mindway AI ApS

Inge Lehmanns Gade 10, DK-8000 Aarhus C

Annual Report for 2020

CVR No. 39 50 49 79

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 20/4 2021

Christian Eichen
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 Financial Statements of Mindway AI 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 financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Aarhus C, 20 April 2021

Executive Board

Rasmus Kjærgaard
CEO

Board of Directors

Kim Mouridsen
Chairman

Svend Aage Kirk

Flemming Pedersen

Independent Auditor's report

To the shareholders of Mindway AI ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 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.

We have audited the Financial Statements of Mindway AI ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 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 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.

Independent Auditor's report

- 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.

Aarhus C, 20 April 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Christian Roding

State Authorised Public Accountant

mne33714

Company information

The Company	Mindway AI ApS Inge Lehmanns Gade 10 DK-8000 Aarhus C CVR No: 39 50 49 79 Financial period: 1 January - 31 December Incorporated: 20 April 2018 Financial year: 3rd financial year Municipality of reg. office: Aarhus
Board of Directors	Kim Mouridsen, Chairman Svend Aage Kirk Flemming Pedersen
Executive board	Rasmus Kjærgaard
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 8000 Aarhus C

Income statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
Gross profit/loss		-131,790	-1,797,788
Staff expenses	3	-2,602,746	-1,186,045
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-6,305	-2,213
Profit/loss before financial income and expenses		-2,740,841	-2,986,046
Financial income		524	40
Financial expenses		-129,003	-272,110
Profit/loss before tax		-2,869,320	-3,258,116
Tax on profit/loss for the year	4	-11,440	144,863
Net profit/loss for the year		-2,880,760	-3,113,253

Distribution of profit

	2020 DKK	2019 DKK
Proposed distribution of profit		
Retained earnings	-2,880,760	-3,113,253
	-2,880,760	-3,113,253

Balance sheet 31 December

Assets

	Note	2020 DKK	2019 DKK
Acquired other similar rights		7,520	8,520
Intangible assets	5	7,520	8,520
Other fixtures and fittings, tools and equipment		24,356	13,343
Property, plant and equipment	6	24,356	13,343
Deposits		40,005	25,863
Fixed asset investments		40,005	25,863
Fixed assets		71,881	47,726
Trade receivables		552,322	661,140
Other receivables		0	110,592
Corporation tax		0	144,863
Prepayments		41,573	45,416
Receivables		593,895	962,011
Cash at bank and in hand		718,341	486,395
Current assets		1,312,236	1,448,406
Assets		1,384,117	1,496,132

Balance sheet 31 December

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		65,273	65,273
Retained earnings		-4,378,772	-1,498,012
Equity		-4,313,499	-1,432,739
Subordinate loan capital		0	2,016,045
Other payables		119,330	41,000
Long-term debt	7	119,330	2,057,045
Subordinate loan capital		4,132,500	0
Prepayments received from customers		913,377	567,935
Trade payables		87,500	172,267
Corporation tax		1,609	0
Other payables		443,300	131,624
Short-term debt		5,578,286	871,826
Debt		5,697,616	2,928,871
Liabilities and equity		1,384,117	1,496,132
Going concern	1		
Key activities	2		
Contingent assets, liabilities and other financial obligations	8		
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Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	65,273	-1,498,012	-1,432,739
Net profit/loss for the year	0	-2,880,760	-2,880,760
Equity at 31 December	65,273	-4,378,772	-4,313,499

The Company has adopted an incentive pay scheme, allowing key employees to exercise their share options, corresponding to 10.15% of the share capital at the time of granting, in the period to 1 September 2026. The share options may be exercised at a predetermined price.

In accordance with the requirements of the Danish Financial Statements Act, the incentive pay scheme is not recognised in the Annual Report.

Notes to the Financial Statements

1. Going concern

Management expects that the Company will be able to finance the activities planned partly through loans from shareholders and partly through sale of the Company's products.

In February 2021, the Company received additional liquidity from its shareholders in the form of a loan of DKK 2,000k.

In terms of liquidity, the Company is dependent on realisation of the business plan and budget for 2021, implying successful market penetration of the Company's products in 2021.

In the first quarter of 2021, the Company met its budget, and Management therefore expects the Company to have the necessary liquidity, which is why the Financial Statements are prepared under the going concern assumption.

Company Management expects to restore equity through own earnings in the years to come.

2. Key activities

The Company's main activity is to develop, market and sell software solutions incorporating artificial intelligence for medtech purposes, and other related activities, including consulting for companies engaged in activities related to the Company's purposes.

3. Staff Expenses

	2020	2019
	DKK	DKK
Wages and salaries	2,567,673	1,141,240
Other social security expenses	14,733	6,699
Other staff expenses	20,340	38,106
	<u>2,602,746</u>	<u>1,186,045</u>
Average number of employees	<u>3</u>	<u>1</u>

4. Income tax expense

	2020	2019
	DKK	DKK
Current tax for the year	11,440	-144,863
	<u>11,440</u>	<u>-144,863</u>

Notes to the Financial Statements

5. Intangible fixed assets

	Acquired other similar rights
	DKK
Cost at 1 January	10,000
Cost at 31 December	<u>10,000</u>
Impairment losses and amortisation at 1 January	1,480
Amortisation for the year	1,000
Impairment losses and amortisation at 31 December	<u>2,480</u>
Carrying amount at 31 December	<u>7,520</u>
Amortised over	<u>10 years</u>

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	14,556
Additions for the year	16,318
Cost at 31 December	<u>30,874</u>
Impairment losses and depreciation at 1 January	1,213
Depreciation for the year	5,305
Impairment losses and depreciation at 31 December	<u>6,518</u>
Carrying amount at 31 December	<u>24,356</u>
Amortised over	<u>3 years</u>

Notes to the Financial Statements

7. 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:

	<u>2020</u>	<u>2019</u>
	DKK	DKK
Subordinate loan capital		
After 5 years	0	0
Between 1 and 5 years	<u>0</u>	<u>2,016,045</u>
Long-term part	0	2,016,045
Within 1 year	<u>4,132,500</u>	<u>0</u>
	<u>4,132,500</u>	<u>2,016,045</u>
Other payables		
After 5 years	0	0
Between 1 and 5 years	<u>119,330</u>	<u>41,000</u>
Long-term part	119,330	41,000
Other short-term payables	<u>443,300</u>	<u>131,624</u>
	<u>562,630</u>	<u>172,624</u>
	<u>2020</u>	<u>2019</u>
	DKK	DKK

8. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Rental obligations, period of interminability 6 months (2019: 3 months)	70,380	22,842
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Notes to the Financial Statements

9. Accounting policies

The Annual Report of Mindway AI ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in DKK.

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.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Income statement

Net sales

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.

Other external expenses

Other external expenses comprise expenses for premises, sales and 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 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. The item is net of refunds made by public authorities.

Notes to the Financial Statements

Amortisation, depreciation and impairment losses

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

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.

Balance sheet

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 10 year.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3 years
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Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

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

Other fixed asset investments

Other fixed asset investments consist of deposit for tenancy.

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

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 debts

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