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VULCUR MEDTECH APS
SØNDERVIGVEJ 50, 2720 VANLØSE
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 10 July 2023**

Janus Beierholm

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COMPANY DETAILS

Company	VulCur MedTech ApS Søndervigvej 50 2720 Vanløse
	CVR No.: 39 76 66 12 Established: 1 August 2018 Municipality: Copenhagen Financial Year: 1 January - 31 December
Board of Directors	Claus Ivan Rehfeld, chairman Helge Holm-Larsen Lasse Blirup Snejbjerg
Executive Board	Janus Beierholm
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Jyske Bank A/S Jernbane Allé 56 A 2720 Vanløse

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of VulCur MedTech ApS for the financial year 1 January - 31 December 2022.

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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

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.

Vanløse, 7 July 2023

Executive Board

Janus Beierholm

Board of Directors

Claus Ivan Rehfeld
Chairman

Helge Holm-Larsen

Lasse Blirup Snebjerg

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholders of VulCur MedTech ApS

REPORT ON EXTENDED REVIEW OF THE FINANCIAL STATEMENTS

Conclusion

We have performed an extended review of the Financial Statements of VulCur MedTech ApS for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Extended Review 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.

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 Extended Review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

THE INDEPENDENT AUDITOR'S REPORT

Statement on the Management Commentary

Management is responsible for the Management Commentary.

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Violation of the provisions of the Companies Act on lending to the capital owner

The company has, in violation of section 210, subsection 1 of the Danish Companies Act, granted a loan to the shareholder, which is a violation of the Act. The loan expects to be repaid in the subsequent financial year.

Copenhagen, 7 July 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Mads Juul Hansen
State Authorised Public Accountant
MNE no. mne44386

MANAGEMENT COMMENTARY

Principal activities

The company's purpose is to develop, commercialize, manufacture and sell a laser apparatus for healing wounds.

Development in activities and financial and economic position

The result of the year was a loss of DKK (2,334) thousand. The company's balance sheet shows a total asset value of 2,383 thousand and equity of DKK (4,588) thousand.

The result is in line with management expectations.

The company has lost more than 50% of its capital. Management are aware of the company's capital structure and capital loss. Management expects the equity to be restructured through future earnings.

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	2022 DKK	2021 DKK
GROSS LOSS		-988.179	-856.634
Staff costs.....	1	-1.503.459	-1.423.009
Depreciation, amortisation and impairment losses.....		-23.848	-17.396
OPERATING LOSS		-2.515.486	-2.297.039
Other financial income.....	2	2.539	26.409
Other financial expenses.....	3	-381.717	-408.213
LOSS BEFORE TAX		-2.894.664	-2.678.843
Tax on profit/loss for the year.....	4	553.712	527.678
LOSS FOR THE YEAR		-2.340.952	-2.151.165
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		-2.340.952	-2.151.165
TOTAL		-2.340.952	-2.151.165

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK
Intangible fixed assets acquired.....		88.897	94.663
Intangible assets.....	5	88.897	94.663
Other plant, machinery tools and equipment.....		39.847	57.929
Property, plant and equipment.....	6	39.847	57.929
NON-CURRENT ASSETS.....		128.744	152.592
Receivables from group enterprises.....		5.187	5.187
Receivables from owners and Management.....	7	40.599	0
Other receivables.....		176.861	180.873
Corporation tax receivable.....		857.667	831.604
Receivables.....		1.080.314	1.017.664
Cash and cash equivalents.....		1.176.848	3.109.252
CURRENT ASSETS.....		2.257.162	4.126.916
ASSETS.....		2.385.906	4.279.508

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK
Share capital.....		153.085	153.085
Retained earnings.....		-4.738.862	-2.397.910
EQUITY.....		-4.585.777	-2.244.825
Convertible and interest-bearing debt instruments.....		3.452.747	3.257.310
Other non-current liabilities.....		3.236.008	3.122.571
Frozen holiday pay.....		19.560	19.560
Non-current liabilities.....	8	6.708.315	6.399.441
Trade payables.....		159.408	25.000
Other liabilities.....		103.960	99.892
Current liabilities.....		263.368	124.892
LIABILITIES.....		6.971.683	6.524.333
EQUITY AND LIABILITIES.....		2.385.906	4.279.508
 Contingencies etc.	 9		
Conditions of going concern	10		

EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2022.....	153.085	-2.397.910	-2.244.825
Proposed profit allocation.....		-2.340.952	-2.340.952
Equity at 31 December 2022.....	153.085	-4.738.862	-4.585.777

NOTES

	2022 DKK	2021 DKK	Note
Staff costs			1
Average number of employees	2	3	
Wages and salaries.....	1.457.052	1.362.858	
Social security costs.....	16.836	19.676	
Other staff costs.....	29.571	40.475	
	1.503.459	1.423.009	
Other financial income			2
Other interest income.....	2.539	26.409	
	2.539	26.409	
Other financial expenses			3
Other interest expenses.....	381.717	408.213	
	381.717	408.213	
Tax on profit/loss for the year			4
Calculated tax on taxable income of the year.....	-553.741	-527.678	
Adjustment of tax in previous years.....	29	0	
	-553.712	-527.678	
Intangible assets			5
		Intangible fixed assets acquired	
Cost at 1 January 2022.....		115.325	
Cost at 31 December 2022.....		115.325	
Amortisation at 1 January 2022.....		20.662	
Amortisation for the year.....		5.766	
Amortisation at 31 December 2022.....		26.428	
Carrying amount at 31 December 2022.....		88.897	

NOTES

		Note
Property, plant and equipment		6
	Other plant, machinery tools and equipment	
Cost at 1 January 2022.....	90.411	
Cost at 31 December 2022.....	90.411	
Depreciation and impairment losses at 1 January 2022.....	32.482	
Depreciation for the year.....	18.082	
Depreciation and impairment losses at 31 December 2022.....	50.564	
Carrying amount at 31 December 2022.....	39.847	
Receivables from owners and Management		7
The company has in violation of section 210, subsection 1 of the Danish Companies Act, granted a loan to the shareholder, which is a violation of the Act. The loan is remunerated at the national bank's lending rate plus 10%, at present equivalent to 9,55 %. The loan expects to be repaid in the subsequent financial year.		
Long-term liabilities		8
	31/12 2022 total liabilities	Debt outstanding after 5 years total liabilities
Convertible and interest-bearing debt instruments.....	3.452.747	0 3.452.747 3.257.310
Other non-current liabilities.....	3.236.008	0 0 3.122.571
Frozen holiday pay.....	19.560	0 19.560 19.560
	6.708.315	0 3.472.307 6.399.441
Contingencies etc.		9
Contingent liabilities		
The company has entered into an agreement with the lender regarding an exit obligation. Exit obligation is triggered by an exit defined by the loan agreement.		
The company has entered into a rental agreement the contingent liability amounts to 5 t.DKK.		
Joint liabilities		
The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.		
Tax payable on the Group's joint taxable income is stated in the annual report of Akk Biotek Holding ApS, which serves as management Company for the joint taxation.		
Conditions of going concern		10
Management is closely monitoring the company's liquidity and cost basis, through new and existing grants the liquidity in ensure for financial year 2023. Management have therefore presented the annual report on a going concern basis.		

ACCOUNTING POLICIES

The Annual Report of VulCur MedTech ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for 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.

INCOME STATEMENT

Net revenue

Net revenue from the sale of merchandise and 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.

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.

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 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.

BALANCE SHEET

Intangible fixed assets

Intangible fixed assets consists of patents and licences which are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 20 years.

ACCOUNTING POLICIES

Tangible fixed assets

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
Other plant, fixtures and equipment.....	5 years

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 intangible fixed and 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.

Receivables

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

ACCOUNTING POLICIES

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.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

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.