

WARD247 ApS

C/O Health Tech Hub Copenhagen, Danneskiold-Samsøes Allé 41, 1127 København K

Company reg. no. 40 52 56 45

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 12 June 2024.

Betina Kaas Langemark
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of WARD247 ApS for the financial year 1 January - 31 December 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the 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.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

København K, 12 June 2024

Executive board

Betina Kaas Langemark

Jelle Marijn Reichert

Board of directors

Claus Hansen
Chairman

Christian Sylvest Meyhoff

Helle Monrad-Gylling

Pekka Simula

Dean Norris Gray

Christian Jakob Anker-Ladefoged

Independent auditor's report

To the Shareholders of WARD247 ApS

Opinion

We have audited the financial statements of WARD247 ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. 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 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 conclusion

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 (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.

Independent auditor's report

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:

- 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'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.

Independent auditor's report

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 Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 12 June 2024

Grant Thornton

Certified Public Accountants
Company reg. no. 34 20 99 36

Brian Rasmussen

State Authorised Public Accountant
mne30153

Daniel Gaardsdal Lauridsen

State Authorised Public Accountant
mne49037

Company information

The company

WARD247 ApS
C/O Health Tech Hub Copenhagen
Danneskiold-Samsøes Allé 41
1127 København K

Company reg. no. 40 52 56 45

Financial year: 1 January 2023 - 31 December 2023

Board of directors

Claus Hansen, Chairman
Christian Sylvest Meyhoff
Helle Monrad-Gylling
Pekka Simula
Dean Norris Gray
Christian Jakob Anker-Ladefoged

Executive board

Betina Kaas Langemark
Jelle Marijn Reichert

Auditors

Grant Thornton, Godkendt Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Management's review

The principal activities of the company

Like previous years, the activities are developing, manufacturing, and selling clinical support systems for high-risk patients.

Development in activities and financial matters

The gross loss for the year totals DKK -2.585.678 against DKK -1.412.751 last year. Income or loss from ordinary activities after tax totals DKK -8.618.284 against DKK -2.984.477 last year.

Management considers the net loss to be in accordance with their expectation.

Events occurring after the end of the financial year

In February 2024 the company has undertaken an additional cash capital increase of nominal DKK 16.275, at a rate of 51.200, resulting in a total cash capital increase of DKK 8.333.800.

Accounting policies

The annual report for WARD247 ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Intangible assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross loss

Gross loss comprises own work capitalised, other operating income, and external costs.

Cost of sales comprises costs concerning purchase of consumables less discounts.

Own work capitalised includes staff cost and other internal costs incurred during the financial year and recognised in the cost of proprietary intangible and tangible fixed assets.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including debt relief.

Other external costs comprise costs incurred for sales, administration, and premises.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Development projects

Development costs comprise salaries, wages, and amortisation directly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and write-downs for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 5 years.

Profit and loss from the sale of development projects are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

Accounting policies

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Accounting policies

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	-2.585.678	-1.412.751
1 Staff costs	-4.557.375	-1.876.506
Operating profit	-7.143.053	-3.289.257
Other financial income	429	2.748
Other financial expenses	-736.698	-436.930
Pre-tax net profit or loss	-7.879.322	-3.723.439
Tax on net profit or loss for the year	-738.962	738.962
Net profit or loss for the year	-8.618.284	-2.984.477
Proposed distribution of net profit:		
Transferred to other statutory reserves	1.870.305	952.289
Allocated from retained earnings	-10.488.589	-3.936.766
Total allocations and transfers	-8.618.284	-2.984.477

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Non-current assets		
2 Development projects in progress and prepayments for intangible assets	4.399.463	2.001.634
Total intangible assets	<u>4.399.463</u>	<u>2.001.634</u>
Total non-current assets	<u>4.399.463</u>	<u>2.001.634</u>
Current assets		
Receivable corporate tax	0	738.962
Other receivables	188.408	232.488
3 Receivables from owners and management	16.665.600	0
Prepayments	165.405	13.521
Total receivables	<u>17.019.413</u>	<u>984.971</u>
Cash on hand and demand deposits	<u>6.037.838</u>	<u>14.967.875</u>
Total current assets	<u>23.057.251</u>	<u>15.952.846</u>
Total assets	<u>27.456.714</u>	<u>17.954.480</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2023</u>	<u>2022</u>
Equity			
4	Contributed capital	152.693	103.910
	Reserve for development costs	3.431.580	1.561.275
	Retained earnings	19.135.257	7.383.107
	Total equity	22.719.530	9.048.292
Liabilities other than provisions			
5	Other payables	3.122.085	8.447.431
6	Total long term liabilities other than provisions	3.122.085	8.447.431
6	Current portion of long term liabilities	429.734	0
	Bank debts	2.158	0
	Trade payables	677.906	280.712
	Payables to equity interests	-64	0
	Other payables	505.365	178.045
	Total short term liabilities other than provisions	1.615.099	458.757
	Total liabilities other than provisions	4.737.184	8.906.188
	Total equity and liabilities	27.456.714	17.954.480
7 Contingencies			

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Reserve for development costs	Retained earnings	Total
Equity 1 January 2022	67.065	0	608.986	-643.459	32.592
Cash capital increase	36.845	11.963.332	0	0	12.000.177
Profit or loss for the year brought forward	0	0	0	-3.936.766	-3.936.766
Transferred to retained earnings	0	-11.963.332	0	11.963.332	0
Transferred from results brought forward	0	0	952.289	0	952.289
Equity 1 January 2022	103.910	0	1.561.275	7.383.107	9.048.292
Cash capital increase	48.783	22.240.739	0	0	22.289.522
Profit or loss for the year brought forward	0	0	0	-10.488.589	-10.488.589
Transferred to retained earnings	0	-22.240.739	0	22.240.739	0
Transferred from results brought forward	0	0	1.870.305	0	1.870.305
	152.693	0	3.431.580	19.135.257	22.719.530

Notes

All amounts in DKK.

	<u>2023</u>	<u>2022</u>
1. Staff costs		
Salaries and wages	4.511.819	1.862.023
Other costs for social security	0	6.564
Other staff costs	<u>45.556</u>	<u>7.919</u>
	<u>4.557.375</u>	<u>1.876.506</u>
Average number of employees	<u>8</u>	<u>3</u>
2. Development projects in progress and prepayments for intangible assets		
Cost 1 January 2023	2.001.634	780.751
Additions during the year	<u>2.397.829</u>	<u>1.220.883</u>
Cost 31 December 2023	<u>4.399.463</u>	<u>2.001.634</u>
Carrying amount, 31 December 2023	<u>4.399.463</u>	<u>2.001.634</u>

Development projects are related to the development of systems which offers individualized monitoring of patients. Precalculations were made prior to the projects start. The precalculations showed increased revenue and earnings concerning the project.

3. Receivables from owners and management

Receivables from owners and management represent the cash capital increase owed to the company as of December 31st, 2023. The payment for this increase occurred in 2024 in accordance with the general meeting on December 21, 2023.

4. Contributed capital

At the general meeting held on December 21, 2023, the company resolved to effectuate a cash capital increase of nominal DKK 32.550 at a rate of 51.200, resulting in a total cash capital increase of DKK 16.665.600. The cash payment for the cash capital increase is received in 2024.

5. Other payables

Other payables encompasses loans provided by Vækstfonden (The Danish Growth Fund) along with funding extended by two business angels, as well as accrued interest on these loans.

Notes

All amounts in DKK.

6. Long term liabilities other than provisions

	Total payables 31 Dec 2023	Current portion of long term payables	Long term payables 31 Dec 2023	Outstanding payables after 5 years
Other payables	<u>3.551.819</u>	<u>429.734</u>	<u>3.122.085</u>	<u>163.436</u>
	<u>3.551.819</u>	<u>429.734</u>	<u>3.122.085</u>	<u>163.436</u>

7. Contingencies

Contingent liabilities

The leases have 3 months to maturity and total outstanding lease payments total DKK 37.000.