

MEDABLE A/S
Havnegade 25
1058 København K

Annual report for 2022
(2nd Financial year)

Adopted at the annual general meeting on
3 August 2023

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Michelle Longmire

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Michelle Rae Longmire
chairman

CVR-nr. 41 60 00 39

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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory board and executive board have today discussed and approved the annual report of Medable A/S for the financial year 1 January - 31 December 2022.

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

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.

Copenhagen, 3 August 2023

Executive board

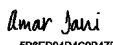
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Marc Ginsky
Director

Supervisory board

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Michelle Rae Longmire
chairman

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Amar Jani

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INDEPENDENT AUDITOR'S REPORT

To the shareholder of Medable A/S

Auditors' Report on the Financial Statements

Opinion

We have audited the financial statements of Medable A/S for the financial year 1 January - 31 December 2022, 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 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 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 and 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 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.

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:

INDEPENDENT AUDITOR'S REPORT

- 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.

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.

INDEPENDENT AUDITOR'S REPORT

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.

Report on other legal and regulatory requirements

Non-compliance with Danish VAT legislation

In 2 instances, the Company has failed to file VAT statements to the Danish Customs and Tax Administration in due time, thus breaching Danish VAT legislation, and Management may incur liability in this respect.

Copenhagen, 3 August 2023

MAZARS

Statsautoriseret Revisionspartnerselskab
CVR no. 31 06 17 41

Nicklas Rasmussen
State Authorised Public Accountant
MNE no. mne43474

COMPANY DETAILS

The company

Medable A/S
Havnegade 25
1058 København K

CVR no.: 41 60 00 39

Reporting period: 1 January - 31 December 2022

Domicile: Copenhagen

Supervisory board

Michelle Rae Longmire, chairman
Amar Jani
Marc Ginsky

Executive board

Marc Ginsky, director

Auditors

Mazars
Statsautoriseret Revisionspartnerselskab
Midtermolen 1, 2.tv.
2100 København Ø

MANAGEMENT'S REVIEW

Business review

The primary activity is to develop and administrate applications for the phone that allows chronic skin patients to stay on top of their skin, as the application is designed to facilitate remote monitoring for the investigators through consistent photographs of the skin.

Financial review

The company's income statement for the year ended 31 December 2022 shows a loss of TDKK 47.065, and the balance sheet at 31 December 2022 shows equity of TDKK 22.199.

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.

ACCOUNTING POLICIES

The annual report of Medable A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities.

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

The annual report for 2022 is presented in TDKK

The company have made adjustments to comparative figures, due to a mistatement noted after the submission of last years annual report. As a result, tax on profit/loss for the year 2021 have been increased with 3,182 tDKK, and deferred tax liabilities have been decreased with the corresponding amount. Opening equity for 2022 have been adjusted correspondingly.

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 profit reflects an aggregation of other operating income and other external expenses.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

Other external expenses include expenses related to the entity' ordinary activities, including expenses for premises, stationery and office supplies, etc.

ACCOUNTING POLICIES

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.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's 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 that relate to the financial year. Net financials include interest income and expenses, liabilities and foreign currency transactions to the group, 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

Intangible assets

Development projects, software

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 3 years.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash comprise cash at banks.

Equity

Reserve for development costs

An amount corresponding to capitalised development costs is recognised in the reserve. The reserve is reduced as development costs are amortised.

ACCOUNTING POLICIES

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.

Liabilities

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

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 TDKK	2020/21 TDKK (17 months)
Gross profit		-5.647	-4.709
Staff costs	1	-36.849	-8.940
Profit/loss before amortisation/depreciation and impairment losses		-42.496	-13.649
Amortisation, depreciation and impairment losses	3	-4.504	-91.987
Profit/loss before net financials		-47.000	-105.636
Financial income		24	1
Financial costs		-89	-69
Profit/loss before tax		-47.065	-105.704
Tax on profit/loss for the year	2	0	9.219
Profit/loss for the year		-47.065	-96.485
 Recommended appropriation of profit/loss			
Retained earnings		-47.065	-96.485
		-47.065	-96.485

BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2022</u> TDKK	<u>2021</u> TDKK
ASSETS			
Software		9.960	14.464
Intangible assets	3	9.960	14.464
Deposits		477	0
Fixed asset investments		477	0
Total non-current assets		10.437	14.464
Receivables from group enterprises		9.219	19.000
Other receivables		-2	0
Corporation tax		0	9.219
Prepayments		431	282
Receivables		9.648	28.501
Cash at bank		2.543	4.803
Total current assets		12.191	33.304
Total assets		22.628	47.768

BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2022</u> TDKK	<u>2021</u> TDKK
EQUITY AND LIABILITIES			
Share capital		1.000	1.000
Share premium		0	140.749
Reserve for development expenditure		7.521	11.282
Retained earnings		13.678	-107.767
Equity		<u>22.199</u>	<u>45.264</u>
Trade payables		260	21
Other payables		169	2.483
Total current liabilities		<u>429</u>	<u>2.504</u>
Total liabilities		<u>429</u>	<u>2.504</u>
Total equity and liabilities		<u><u>22.628</u></u>	<u><u>47.768</u></u>
Contingent liabilities	5		

STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve for development expenditure	Share premium	Retained earnings	Total
Equity at 1 January 2022	1.000	11.282	140.449	-107.467	45.264
Transfers, reserves	0	-3.761	0	3.761	0
Transfer, share premium	0	0	-140.449	140.449	0
Net profit/loss for the year	0	0	0	-47.065	-47.065
Contribution from group	0	0	0	24.000	24.000
Equity at 31 December 2022	<u>1.000</u>	<u>7.521</u>	<u>0</u>	<u>13.678</u>	<u>22.199</u>

NOTES

	2022 TDKK	2020/21 TDKK (17 months)
1 STAFF COSTS		
Wages and salaries	32.782	3.838
Pensions	2.216	3.089
Other social security costs	272	354
Other staff costs	1.579	1.659
	36.849	8.940
 Average number of employees	31	35
 2 TAX ON PROFIT/LOSS FOR THE YEAR		
Current tax for the year	0	-9.219
	0	-9.219
 3 INTANGIBLE ASSETS		Software
Cost at 1 January 2022		106.451
Additions for the year		0
Disposals for the year		0
Cost at 31 December 2022		106.451
 Impairment losses and amortisation at 1 January 2022		91.670
Amortisation for the year		4.821
Impairment losses and amortisation at 31 December 2022		96.491
 Carrying amount at 31 December 2022		9.960
 Depreciated over		3 years

NOTES

4 FINANCING

The Company have received a letter of support from Medable Inc, stating that they will commit to provide Medable A/S with the financial support necessary to continue its operations for at least the next 12-month period from 31 December 2022. On this basis, management has prepared the financial statement under a going concern assumption.

5 CONTINGENT LIABILITIES

Rent and lease liabilities

The Company has entered into a lease hold agreement on the rental of premises. When the agreement may be terminated subject to a 6 month notice period. The rental commitment amounts to DKK 953k at 31 December 2022.