

Grant Thornton
Godkendt
Revisionspartnerselskab

Lautrupsgade 11
2100 København
CVR-nr. 34209936

T (+45) 33 110 220

www.grantthornton.dk

Rheia Medical ApS

Tagensvej 16A, 2200 København N

Company reg. no. 44 25 43 01

Annual report

23 August 2023 - 31 December 2024

The annual report was submitted and approved by the general meeting on the 7 April 2025.

Trine Munch Agerskov
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the Executive Board has approved the annual report of Rheia Medical ApS for the financial year 23 August 2023 - 31 December 2024.

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 2024 and of the results of the Company's operations for the financial year 23 August 2023 – 31 December 2024.

The Executive Board consider the conditions for audit exemption of the 2023/24 financial statements to be met.

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 N, 7 April 2025

Executive board

Rasmus Lundquist

Andreas Thorngaard Heitmann

Trine Munch Agerskov

Practitioner's compilation report

To the Shareholders of Rheia Medical ApS

We have compiled the financial statements of Rheia Medical ApS for the financial year 23 August 2023 - 31 December 2024 based on the company's bookkeeping and on information you have provided.

These financial statements comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements under the Danish Act on Approved Auditors and Audit Firms and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 7 April 2025

Grant Thornton

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

Morten Høgh-Petersen

State Authorised Public Accountant
mne34283

Company information

The company

Rheia Medical ApS
Tagensvej 16A
2200 København N

Company reg. no. 44 25 43 01

Financial year: 23 August - 31 December

Executive board

Rasmus Lundquist
Andreas Thorngaard Heitmann
Trine Munch Agerskov

Management's review

Description of key activities of the company

The company's purpose is to engage in the business of developing, producing, and trading medical equipment and related activities.

Significant changes in the company's activities and financial matters

The Company's income statement for 2023/24 shows a result of DKK 762.105. Equity in the Company's balance sheet at 31 December 2024 stood at DKK 802.105.

Events occurring after the end of the financial year

No events have occurred after the balance sheet date of material importance to the annual report for 2023/24.

Income statement

All amounts in DKK.

<u>Note</u>	23/8 2023 - 31/12 2024
Gross profit	2.018.036
1 Staff costs	-1.062.548
Operating profit	955.488
Other financial expenses	-381
Pre-tax net profit or loss	955.107
Tax on net profit or loss for the year	-193.002
Net profit or loss for the year	762.105
 Proposed distribution of net profit:	
Transferred to retained earnings	3.289
Transferred to reserve for development costs	758.816
Total allocations and transfers	762.105

Balance sheet

All amounts in DKK.

Assets	<u>31/12 2024</u>
<u>Note</u>	
Non-current assets	
2 Development projects in progress and prepayments for intangible assets	<u>972.842</u>
Total intangible assets	<u>972.842</u>
Total non-current assets	<u>972.842</u>
Current assets	
Income tax receivables	21.023
Other receivables	<u>5.536</u>
Total receivables	<u>26.559</u>
Cash and cash equivalents	<u>35.451</u>
Total current assets	<u>62.010</u>
Total assets	<u>1.034.852</u>

Balance sheet

All amounts in DKK.

Equity and liabilities	<u>31/12 2024</u>
<u>Note</u>	
Equity	
Contributed capital	40.000
Reserve for development costs	758.816
Retained earnings	<u>3.289</u>
Total equity	<u>802.105</u>
 Provisions	
Provisions for deferred tax	<u>214.025</u>
Total provisions	<u>214.025</u>
 Liabilities other than provisions	
Trade payables	12.500
Other payables	<u>6.222</u>
Total short term liabilities other than provisions	<u>18.722</u>
 Total liabilities other than provisions	<u>18.722</u>
 Total equity and liabilities	<u>1.034.852</u>

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development costs	Retained earnings	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Equity 23 August 2023	40.000	0	0	40.000
Retained earnings for the year	0	0	3.289	3.289
Transferred from retained earnings	0	758.816	0	758.816
	<u>40.000</u>	<u>758.816</u>	<u>3.289</u>	<u>802.105</u>

Accounting policies

The annual report for Rheia Medical 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 annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

Income statement

Gross profit

Gross profit comprises the revenue, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Own work capitalised

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 external expenses comprise expenses incurred for sales, advertising and administration.

Staff costs

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

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.

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.

Accounting policies

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

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.

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 nominal value.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

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.

Accounting policies

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.

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

Other liabilities concerning payables to other payables are measured at amortised cost which usually corresponds to the nominal value.

Notes

All amounts in DKK.

	23/8 2023 - 31/12 2024
1. Staff costs	
Salaries and wages	1.038.928
Other costs for social security	23.620
	<u>1.062.548</u>
 Average number of employees	 <u>3</u>
2. Development projects in progress and prepayments for intangible assets	
Additions during the year	<u>972.842</u>
Cost 31 December 2024	<u>972.842</u>
 Carrying amount, 31 December 2024	 <u>972.842</u>