Cardia International A/S

c/o Råd til advokat v/ Birgitte Wessel Knaac
Hersegade 34c, 4000 Roskilde, Denmark

CVR no. 35 81 25 63

Annual report 2020/21

Approved at the Company's annual general meeting on 19 July 2021

Chair of the meeting:

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Mike Willian Vermin

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Cardia International A/S for the financial year 1 April 2020 - 31 March 2021.

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 of the Company at 31 March 2021 and of the results of the Company's operations for the financial year 1 April 2020 - 31 March 2021.

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

We recommend that the annual report be approved at the annual general meeting.

Roskilde, 19 July 2021
Executive Board:

Jens Aabye Dam

Board of Directors:

Mike William Vermin Chair	Jens Aabye Dam	Rajeshkumar Shreedhar Tiwari

Independent auditor's report

To the shareholders of Cardia International A/S

Opinion

We have audited the financial statements of Cardia International A/S for the financial year 1 April 2020 - 31 March 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are 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 of the Company at 31 March 2021 and of the results of the Company's operations for the financial year 1 April 2020 - 31 March 2021 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 rules and requirements.

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 as to 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 the 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.

Independent auditor's report

- 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 note 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Copenhagen, 19 July 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Peter Andersen
State Authorised Public Accountant
mne34313

Management's review

Company details

Name	Cardia International A/S
Address, Postal code, City	c/o Råd til advokat v/ Birgitte Wessel Knaac Hersegade 34c, 4000 Roskilde, Denmark
CVR no.	35 81 25 63
Registered office	Roskilde
Financial year	1 April 2020 - 31 March 2021
Board of Directors	Mike William Vermin, Chair Jens Aabye Dam Rajeshkumar Shreedhar Tiwari
Executive Board	Jens Aabye Dam
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Handelsbanken

Management's review

Business review

Cardia International A/S is manufacturing and selling the defibrillator CardiAid.

Financial review

The income statement for 2020/21 shows a loss of EUR 189,775 against a loss of EUR 178,880 last year, and the balance sheet at 31 March 2021 shows equity of EUR 8,517.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 April 2020 - 31 March 2021

Income statement

Note	EUR	2020/21	2019/20
	Revenue	2,188,507	3,311,452
	Cost of sales	-1,546,179	-2,352,313
	Other external expenses	-626,939	-942,902
	Gross profit	15,389	16,237
3	Staff costs	0	-26,053
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-160,101	-144,756
	Profit/loss before net financials	-144,712	-154,572
	Financial expenses	-45,407	-42,680
	Profit/loss before tax	-190,119	-197,252
4	Tax for the year	344	18,372
	Profit/loss for the year	-189,775	-178,880

	Recommended appropriation of profit/loss		
	Other reserves	-103,529	-14,127
	Retained earnings/accumulated loss	-86,246	-164,753
		-189,775	-178,880

Financial statements 1 April 2020 - 31 March 2021

Balance sheet

Note	EUR	2020/21	2019/20
	ASSETS		
	Fixed assets		
5	Intangible assets		
	Completed development projects	211,730	320,126
	Acquired intangible assets	23,390	32,329
	Goodwill	0	0
		235,120	352,455
6	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	22,785	50,501
		22,785	50,501
7	Investments		
	Investments in group entities	10,000	10,000
		10,000	10,000
	Total fixed assets	267,905	412,956
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	54,687	57,163
	Finished goods and goods for resale	135,294	333,304
		189,981	390,467
	Receivables		
	Trade receivables	277,339	339,633
	Receivables from group entities	145,766	20,677
8	Deferred tax assets	0	0
	Income taxes receivable	344	18,372
	Other receivables	37,079	44,030
	Prepayments	31,090	1,250
		491,618	423,962
	Cash	23,691	101,738
	Total non-fixed assets	705,290	916,167
	TOTAL ASSETS	973,195	1,329,123

Financial statements 1 April 2020 - 31 March 2021

Balance sheet

Note	EUR	2020/21	2019/20
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	97,962	93,242
	Reserve for development costs	211,730	315,259
	Retained earnings	-301,175	-650,206
	Total equity	8,517	-241,705
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Payables to shareholders and management	158,000	0
	Other payables	0	222,000
		158,000	222,000
	Current liabilities other than provisions		
	Bank debt	600	73,915
	Prepayments received from customers	0	109,900
	Trade payables	238,989	572,733
	Payables to group entities	245,059	89,477
	Payables to shareholders and management	0	415,222
	Other payables	285,524	67,441
	Deferred income	36,506	20,140
		806,678	1,348,828
		964,678	1,570,828
	TOTAL EQUITY AND LIABILITIES	973,195	1,329,123

1 Accounting policies
2 Capital resources
9 Contractual obligations and contingencies, etc.
10 Collateral
11 Related parties

Financial statements 1 April 2020 - 31 March 2021

Statement of changes in equity

EUR	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 April 2019	90,087	329,386	-776,415	-356,942
Capital increase	3,155	0	290,962	294,117
Transfer through appropriation of loss	0	-14,127	-164,753	-178,880
Equity at 1 April 2020	93,242	315,259	-650,206	-241,705
Capital increase	4,720	0	435,277	439,997
Transfer through appropriation of loss	0	-103,529	-86,246	-189,775
Equity at 31 March 2021	97,962	211,730	-301,175	8,517

Financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies

The annual report of Cardia International A/S for 2020/21 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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

Reporting currency

The financial statements are presented in EUR. The financial statements were previously presented in DKK. The presentation currency has been changed because the Company's most significant sales and expenses are settled in EUR and because the Company aims to increase comparability with its European competitors. Comparative figures have been restated as follows:

- The items in the income statement are translated using average rates for the period concerned.
- Monetary balance sheet items are translated using the rates at the relevant balance sheet dates.
- Non-monetary balance sheet items are translated at the exchange rate at the time of acquisition.
- All exchange adjustments are recognised in the income statement as financial income/expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life. Acquired IP rights include patents, rights and licences.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	5 years
Acquired intangible assets	5 years
Goodwill	5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Other fixtures and fittings, tools and equipment	3-7 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

The residual value for other fixtures and fittings, tools and equipment are 20%.

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 5 years.

Other intangible assets include development projects and other acquired intangible rights, including software licences. Development projects in progress are measured at cost.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprises cash balances and bank balances.

Provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Payables to credit institutions

Mortgage debt is recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, mortgage debt is measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other payables

Other payables are measured at net realisable value.

Prepayments received from customers

Prepayment from customers comprise of revenue incurred concerning subsequent financiel year.

2 Capital resources

Management is responsible for ensuring that the Company's capital resources are sound at any time and that sufficient liquidity is available to meet the Company's current and future liabilities as they fall due.

Cardia International A/S have in the subsequent period received an extension to a short-term liability (in total EUR 247,323) which is inclused as short term debt in the balancesheet, where of EUR 180,323 will be settled later than 12 months from the balance sheet date.

Based on the above, Management is of the opinion that the Company has sufficient capital resources for the coming year, and accordingly, presents the annual report on a going concern basis.

	EUR	2020/21	2019/20
3	Staff costs		
	Wages/salaries	0	26,053
		0	26,053
	Average number of full-time employees	0	1
4	Tax for the year		
	Estimated tax charge for the year	-344	-18,372
		-344	-18,372

Financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

5 Intangible assets

EUR	Completed development projects	Acquired intangible assets	Goodwill	Total
Cost at 1 April 2020	584,426	69,627	234,729	888,782
Additions in the year	1,562	6	0	1,568
Cost at 31 March 2021	585,988	69,633	234,729	890,350
Impairment losses and amortisation at 1 April 2020	264,300	37,298	234,729	536,327
Amortisation in the year	109,958	8,945	0	118,903
Impairment losses and amortisation at 31 March 2021	374,258	46,243	234,729	655,230
Carrying amount at 31 March 2021	211,730	23,390	0	235,120

Completed development projects

Completed development projects include the development and continued enhancement of their defibrillators with a carrying amount of EUR 211,730.

Management has not identified any evidence of impairment related to the carrying amount of the defibrillators.

6 Property, plant and equipment

EUR	Other fixtures and fittings, tools and equipment
Cost at 1 April 2020	200,639
Cost at 31 March 2021	200,639
Impairment losses and depreciation at 1 April 2020	150,138
Depreciation in the year	27,716
Impairment losses and depreciation at 31 March 2021	177,854
Carrying amount at 31 March 2021	22,785

7 Investments

Name	Legal form	Domicile	Interest	Equity EUR	Profit/loss EUR
Subsidiaries					
Cardia International BV	BV	Netherland	100.00%	-10,916	-24,499

Financial statements 1 April 2020 - 31 March 2021

Notes to the financial statements

8 Deferred tax assets

The Company has a deferred tax asset of EUR 374 thousand. The deferred tax asset is not recognised in the financial statements as it is uncertain if the tax losses can be utilised within the foreseeable future.

9 Contractual obligations and contingencies, etc.

Other financial obligations

Cardia International A/S has no other financial liabilities at 31 March 2021.

10 Collateral

As security for the Company's debt to the bank, the Company has placed assets or other as security at a total outstanding value of EUR 600. The total carrying amount of the assets that have been put up as security is EUR 514,196.

The following assets are included in the security:

- Acquired intangible assets
- Goodwill
- Other fixtures and fittings, tools and equipment
- Raw materials and consumables
- Finished goods and goods for resale
- Trade receivables

11 Related parties

Cardia International A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Skanray Healthcare Global Private Ltd.	Star, 2 II Opp lim-B Bannerghatta Road, Bilekahalli, Bangalore Karnataka 560076, India	Shareholder

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
Jens Dam Holding ApS	Hersegade 20, Roskilde, Denmark
Cardia Invest BV	Van der Burchstraat 40, Hoofddorp, The Netherlands