
Cercare Medical A/S

Inge Lehmanns Gade 10, DK-8000 Aarhus C

Annual Report for 2024

CVR No. 35 48 34 89

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 24/4 2025

Jeppe Øvli Øvlesen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Cercare Medical A/S for the financial year 1 January - 31 December 2024.

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 at 31 December 2024 of the Company and of the results of the Company operations for 2024.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aarhus C, 24 April 2025

Executive Board

Kim Beuschau Mouridsen
CEO

Board of Directors

Jeppe Øvli Øvlesen
Chairman

Ulla Bagger-Sørensen

Mikkel Bo Hansen

Marit Salte

Jonathan Andrew Lerner

Independent Auditor's report

To the shareholders of Cercare Medical A/S

Opinion

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 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Cercare Medical A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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' 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.

Material Uncertainty Related to Going Concern

We draw the attention to note 1 "Going concern", where Management has described that the going concern assumption is depending on succeeding in raising additional capital during 2025. Based on the Company's position, it is considered that there exists a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

Based on the work we have performed, in our view, 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 in Management's Review.

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.

Independent Auditor's report

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:

- 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.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the Financial Statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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.

Independent Auditor's report

Aarhus C, 24 April 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Christian Roding

State Authorised Public Accountant

mne33714

Company information

The Company	Cercare Medical A/S Inge Lehmanns Gade 10 DK-8000 Aarhus C CVR No: 35 48 34 89 Financial period: 1 January - 31 December Incorporated: 27 September 2013 Financial year: 11th financial year Municipality of reg. office: Aarhus Kommune
Board of Directors	Jeppe Øvli Øvlesen, chairman Ulla Bagger-Sørensen Mikkel Bo Hansen Marit Salte Jonathan Andrew Lerner
Executive Board	Kim Beuschau Mouridsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C
Lawyers	DLA Piper DOKK1, Hack Kampmanns Plads 2 8000 Aarhus C
Bankers	Nordea Frederiks Plads 40 8000 Aarhus C

Management's review

Key activities

The Company develops, trades, and sells imaging biomarkers and AI-driven decision-support tools for hospitals and clinics. The primary focus areas are ischemic and hemorrhagic stroke and neuro-oncology, but the solutions also extend to other diseases involving vascular changes and general workflow optimization through machine learning and artificial intelligence.

Development in the year

The income statement of the Company for 2024 shows a loss of DKK 53,285,365, and at 31 December 2024 the balance sheet of the Company shows a positive equity of DKK 30,828,768.

In 2024, the Company achieved its best commercial performance to date, significantly increasing Annual Recurring Revenue (ARR) by 123% compared to the previous year. Growth was particularly strong in direct and distribution channels, with many new Key Opinion Leader (KOL) hospitals and clinics securing multiyear contracts. Many customers actively recommend the Company's solutions to their peers, further driving adoption across Cercare Medical's markets. The Company has established a strong presence in the Nordics, the DACH region, and France, with further expansion expected in 2025, including new clients and the hiring of more sales representatives here. Progress in the partner network has also been significant, particularly in the US, where market traction is increasing. In the US, the organization is being built up and during 2025, the company is expecting to increase sales staff with 4 new sales representatives. With new products on the way, the Company has high expectations in this market. The APAC region continues to be a success for the Company and through close collaboration with distributors, the Company has engaged with many new clients. Finally, a new direct sales channel has been opened in the UK by the end of 2024, a market where Cercare Medical sees a high potential for its solutions. The Company still has not experienced any customer churn on any markets.

Market feedback and clinical validation remain strong, with an increasing shift from research use to clinical practice in stroke and oncology. The Company's R&D team continues to enhance product offerings, focusing on seamless hospital IT integration, flexible configuration for diverse clinical needs, and scalable solutions for large patient volumes. On the regulatory front, the Company secured FDA approval for its CT stroke product, strengthening its competitive position in the US. Additionally, regulatory clearance was obtained in several new countries, including South Korea, Taiwan, Spain, Greece and the UK, with further market expansion planned. In 2024, the Company also achieved ISO 27001 certification, reinforcing its commitment to data security and compliance. In the coming years, the company has ambitious plans for its product development efforts and expects to introduce new products to the market within spine and new oncology areas as well as it plans for further regulatory approvals on new and existing markets, including further FDA approvals.

By year-end, the Company raised €7.4 million in its latest funding round, led by UK-based West Hill Capital. This amount was received across both 2024 and early 2025.

Capital resources

The Company's management is on an ongoing basis in discussion with current owners and a broad range of qualified investors to ensure the right funding is available to accelerate growth and sales, with a particular focus on the US market.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2024	2023
		DKK	DKK
Gross loss	2	-31,641,823	-24,371,325
Staff expenses	3	-23,015,230	-18,375,836
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-222,103	-632,684
Profit/loss before financial income and expenses		-54,879,156	-43,379,845
Income from investments in subsidiaries		-396,389	-174,540
Financial income	4	242,755	39,319
Financial expenses		-1,087,561	-1,652,817
Profit/loss before tax		-56,120,351	-45,167,883
Tax on profit/loss for the year	5	2,834,986	2,743,222
Net profit/loss for the year		-53,285,365	-42,424,661
 Distribution of profit			
		2024	2023
		DKK	DKK
Proposed distribution of profit			
Retained earnings		-53,285,365	-42,424,661
		-53,285,365	-42,424,661

Balance sheet 31 December

Assets

	Note	2024	2023
		DKK	DKK
Acquired patents		684,661	747,473
Intangible assets	6	684,661	747,473
Other fixtures and fittings, tools and equipment		5	13,950
Leasehold improvements		17,399	34,798
Property, plant and equipment	7	17,404	48,748
Investments in subsidiaries	8	0	0
Deposits	9	273,984	269,216
Fixed asset investments		273,984	269,216
Fixed assets		976,049	1,065,437
Trade receivables		622,362	2,116,229
Receivables from group enterprises		97,417	24,145
Other receivables		768,522	693,280
Corporation tax		2,834,986	2,743,222
Prepayments		345,080	59,819
Receivables		4,668,367	5,636,695
Cash at bank and in hand		30,955,965	19,839,270
Current assets		35,624,332	25,475,965
Assets		36,600,381	26,541,402

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		DKK	DKK
Share capital	10	957,826	761,610
Retained earnings		29,870,942	19,093,869
Equity		30,828,768	19,855,479
Prepayments received from customers		0	18,750
Trade payables		1,329,741	2,534,297
Other payables		2,526,178	1,277,310
Deferred income	11	1,915,694	2,855,566
Short-term debt		5,771,613	6,685,923
Debt		5,771,613	6,685,923
Liabilities and equity		36,600,381	26,541,402
Going concern	1		
Contingent assets, liabilities and other financial obligations	12		
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Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	761,610	19,093,869	19,855,479
Cash capital increase	196,216	64,060,973	64,257,189
Exchange adjustments relating to foreign entities	0	1,465	1,465
Net profit/loss for the year	0	-53,285,365	-53,285,365
Equity at 31 December	957,826	29,870,942	30,828,768

Notes to the Financial Statements

1. Going concern

The company has already in 2025 received the last of three rounds of investments, in relation to an investment agreement with new investors in 2024.

Based on budgets and cash flow for 2025, it is Management's expectation that there is sufficient capital to fund the company until January 2026, and there is positive dialogue and discussion of terms with a new potential investor on an investment worth 7-10 mEUR.

It is Management's expectation that they will succeed in raising additional capital during 2025.

There is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, but the Company has prepared the Annual Report under the going concern assumption based on the above.

2. Special items

	2024	2023
	DKK	DKK
Government grants	1,261,233	988,767
	<u>1,261,233</u>	<u>988,767</u>

3. Staff expenses

	2024	2023
	DKK	DKK
Wages and salaries	21,192,992	17,214,961
Pensions	1,056,624	635,189
Other social security expenses	121,146	93,702
Other staff expenses	644,468	431,984
	<u>23,015,230</u>	<u>18,375,836</u>
Average number of employees	<u>26</u>	<u>22</u>

4. Financial income

	2024	2023
	DKK	DKK
Interest received from group enterprises	24,363	11,165
Other financial income	15,980	0
Exchange adjustments	202,412	28,154
	<u>242,755</u>	<u>39,319</u>

Notes to the Financial Statements

	<u>2024</u>	<u>2023</u>
	DKK	DKK
5. Income tax expense		
Current tax for the year	<u>-2,834,986</u>	<u>-2,743,222</u>
	-2,834,986	-2,743,222
6. Intangible fixed assets		
		<u>Acquired patents</u>
		DKK
Cost at 1 January		3,570,621
Additions for the year		<u>127,947</u>
Cost at 31 December		<u>3,698,568</u>
Impairment losses and amortisation at 1 January		2,823,148
Amortisation for the year		<u>190,759</u>
Impairment losses and amortisation at 31 December		<u>3,013,907</u>
Carrying amount at 31 December		<u>684,661</u>
Amortised over		<u>7 years</u>

The Company's intangible assets concern external patent costs incurred in connection with the development of its own products.

Notes to the Financial Statements

7. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	DKK	DKK
Cost at 1 January	1,143,047	86,995
Cost at 31 December	1,143,047	86,995
Impairment losses and depreciation at 1 January	1,129,097	52,197
Depreciation for the year	13,945	17,399
Impairment losses and depreciation at 31 December	1,143,042	69,596
Carrying amount at 31 December	5	17,399
Amortised over	3 years	5 years

8. Investments in subsidiaries

	2024	2023
	DKK	DKK
Cost at 1 January	674	0
Additions for the year	69,964	674
Cost at 31 December	70,638	674
Value adjustments at 1 January	-174,540	0
Exchange adjustment	1,465	0
Net profit/loss for the year	-396,389	-174,540
Value adjustments at 31 December	-569,464	-174,540
Equity investments with negative net asset value amortised over receivables	498,826	173,866
Carrying amount at 31 December	0	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes
Cercare Medical Inc	Delaware, USA	USD 10.000	100%

Notes to the Financial Statements

9. Other fixed asset investments

	Deposits
	DKK
Cost at 1 January	269,216
Additions for the year	4,768
Cost at 31 December	<u>273,984</u>
Carrying amount at 31 December	<u>273,984</u>

10. Share capital

	Number	Nominal value
		DKK
A-shares	273,456	273,456
B-shares	684,370	684,370
		<u>957,826</u>

The Company has adopted an incentive pay scheme enabling the granting of share options of up to a nominal 16.989 to key employees. Under certain circumstances, the share options may be exercised at a predetermined price. In accordance with the requirements of the Danish Financial Statements Act, the incentive pay scheme is not recognised in the Annual Report.

11. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

12. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

	2024	2023
	DKK	DKK
Rental obligations, period of interminability of 6 months	496,019	486,293
	<u>496,019</u>	<u>486,293</u>

Notes to the Financial Statements

13. Accounting policies

The Annual Report of Cercare Medical A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Direct expenses

Direct expenses primarily include expenses related to achieving the revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Notes to the Financial Statements

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, direct expenses and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including grants recognised concurrently with being received as the date of receipt corresponds to the vesting date in all material respects.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 7 year.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3 years
Leasehold improvements	5 years

The fixed assets' residual values are determined at nil.

Notes to the Financial Statements

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Fixed asset investments consist of deposit for tenancy.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning insurance premiums etc.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.