

Report Momo Medical Holding B.V.

Financial statements 2021

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Supplementary information

Total number of pages in the appendix: 38

The Board of Management
Momo Medical Holding B.V.
Delft

The Hague, July 19, 2022

Dear Board of Management,

In accordance with our engagement to compile your company's financial statements, we hereby report on the financial statements for 2021. The financial statements are the responsibility of the company's management board. Our responsibility is to assist the management board with the preparation and presentation of the financial statements and to report to you, in accordance with our findings, through a compilation report on the financial statements. The financial statements are included in the appendices "annual report" to this report. The supplementary information is added to the report for your information. However, they are not a part of the annual report.

1 Accountant's compilation report

The financial statements of Momo Medical Holding B.V. at Delft have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at December 31, 2021 and the income statement for the year 2021 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, "Compilation engagements", which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of Momo Medical Holding B.V. We have not performed any audit or review procedures which would enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

During this engagement we have complied with the relevant ethical requirements prescribed by the "Verordening gedrags- en Beroepsregels accountants" (VGBA, Dutch Code of Ethics). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

We draw attention to note Going Concern to the financial statements which indicates that the company incurred a net loss of € 684,592 during the year ended December 31. We draw attention to this disclosure.

2 General

2.1 Incorporation, shareholders and Board of Management

Momo Medical Holding B.V. is incorporated on March 21, 2017. The company's registered office is Delft, the Netherlands. All issued shares of Momo Medical Holding B.V. are held by Momo Medical Group Inc.

Mr. M.L. Gravemaker is responsible for the daily management.

2.2 Business activities

The main activities of the company relate to participating in and conducting the management of other participations.

3 Adoption of previous year's financial statements

On 30 March 2021, 2020 financial statements as included in the appendices to our report of 29 March 2021 were adopted. The result is allocated as follows.

In accordance with legal regulations the loss over 2020 of € 539,375 was charged to other reserves.

4 Description of tax position

The company forms a fiscal unity for corporate income tax purposes with its Dutch group companies. Foreign group companies are subject to foreign tax.

4.1 Receivables relating to income tax for 2021

The receivables relating to income tax for 2021 have been calculated as follows.

	€
Result before tax according to the consolidated income statement for 2021	(684,592)
Non or partial deductible expenses (art. 3.14 and 3.15 IB 2001)	
Other non or partial deductible expenses	361
Investment facilities	
Small scale investment tax allowance Netherlands	(1,875)
Taxable amount for 2021	<u>(686,106)</u>

No income tax is payable on the taxable amount.

4.2 Breakdown of non-deductible expenses

		€	Non deductible expenses €
Business entertainment costs	26.5 %	1,364	<u>361</u>

4.3 Breakdown of small scale investment tax allowance

Small scale investment tax allowance can be claimed for particular additions to tangible fixed assets.

	2021
	€

The breakdown of the small scale investment tax allowance is as follows

Equipment	6,698
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The small scale investment tax allowance amounts to (28 % of € 6,698)	1,875
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4.4 Tax losses available for set-off

	Balance at January 1, 2021	Loss 2021	Balance at December 31, 2021
	€	€	€
2017/2018	321,247	-	321,247
2019	690,682	-	690,682
2020	537,558	-	537,558
2021	-	686,106	686,106
	<u>1,549,487</u>	<u>686,106</u>	<u>2,235,593</u>

There are restrictions in time on the availability of this tax loss for set-off against future taxable profits.

For financial years starting as of 1 January 2022 tax losses can be carried forward indefinitely. However, the offset of tax losses against taxable profits will be limited: such losses can be offset against the first EUR 1 million of taxable profit, and, for taxable profit in excess of EUR 1 million, losses may only be offset up to 50% of this excess. Tax losses, including tax losses incurred through 31 December 2021, will then become available for carry forward indefinitely.

Please do not hesitate to contact us if you require any further information.

Annual report

2021 financial statements

of

Momo Medical Holding B.V.

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Consolidated balance sheet as at December 31, 2021

(after treatment of loss)

Assets

	2021		2020	
	€	€	€	€
Non-current assets				
Property, plant and equipment		228,080		11,333
Current assets				
Inventories	150,244		24,710	
Receivables (1)	742,285		59,771	
Cash at bank and in hand	44,377		596,978	
Total of current assets		936,906		681,459
Total Assets		<u>1,164,986</u>		<u>692,792</u>
Equity and liabilities				
Group equity				
Equity		(727,283)		(185,755)
Non-current liabilities (2)		1,126,672		579,857
Current liabilities		765,597		298,690
Total of equity and liabilities		<u>1,164,986</u>		<u>692,792</u>

Consolidated income statement for the year ended December 31, 2021

	2021		2020	
	€	€	€	€
Net revenue	198,331		23,654	
Cost of sales	<u>(1,639)</u>		<u>61,907</u>	
		199,970		(38,253)
Other operating income		61,100		40,219
Wages and salaries	316,901		223,230	
Social security charges	87,744		59,969	
Other staff costs	86,948		25,845	
Depreciation of property, plant and equipment	40,039		3,090	
Other operating expenses	<u>371,777</u>		<u>200,672</u>	
Total of sum of expenses		<u>903,409</u>		<u>512,806</u>
Total of operating result		(642,339)		(510,840)
Other interest income and related income	10		3	
Interest expenses and related expenses	<u>42,263</u>		<u>28,538</u>	
Financial income and expenses		(42,253)		(28,535)
Result before tax		<u>(684,592)</u>		<u>(539,375)</u>
Income tax expense		-		-
Result after tax		<u><u>(684,592)</u></u>		<u><u>(539,375)</u></u>

Accounting policies used in preparing the consolidated financial statements

General

The registered office according to the Articles of Association of Momo Medical Holding B.V. is in Delft. Momo Medical Holding B.V. is registered in the Commercial Register of the Chamber of Commerce under the file number: 68344554.

The address of Momo Medical Holding B.V. is Molengraaffsingel 12, 2629JD Delft.

The company has prepared the annual accounts in accordance with the Part 9 of Book 2 of the Dutch Civil Code, applying the annual accounts regime for micro-enterprises. To increase the understanding, additional explanations and specifications are included in these financial statements in addition to the information required by law. The financial statements have been prepared in English as agreed between the shareholders.

The annual accounts have been prepared

Ultimate parent company

Momo Medical Group Inc., Camden is the ultimate parent company of Momo Medical Holding B.V.

Group activities

The group's main activities are developing, producing and selling BedSenses, as well as the import and export of BedSenses and the required materials for this activity.

Going concern

Last year has been a key "turn-around" year for Momo Medical for a couple of reasons:

Defining the true value of the BedSense for both the nurses at the bedside and management of the elderly homes translates in raving fans in the marketplace. One of these management members of our biggest customer even became one of the most high-ranking government official: Minister for Long-term Care and Sport Conny Helder.

Next to that we were accepted into the world's most prestigious accelerator being the Ycombinator accelerator in Silicon Valley. It is catapulting us straight into the largest care market in the world: the US market. We already have four communities connected to prove the business case, and the first results are more promising than we could ever expect.

With the support of YCombinator, we structured our company to be ready for our next phase: Growth. Growing the Monthly Recurring Revenue from € 2,000 in January 2021 to € 24,000 in December 2021, a growth of more than 20%MoM, which results in a Yearly Recurring Revenue of € 288,000.

Besides the successful participation in the Ycombinator program Momo Medical got quite some attention and rewards translating into national press coverage in, for example, the Financieel Dagblad and the Quote. This attention has a useful spin-off in investors now approaching Momo to investigate for opportunities to invest. As per August 2021 Momo Medical Group Inc is the holding company of Momo Medical Holding BV. Equity funding from investors is received in Momo Medical Group Inc and used for the growth in Momo Medical BV.

This has resulted in the growth in equity through SAFEs of \$ 470,000 in 2021 and \$554,000 in the first half of 2022. Building on the growth path and media attention Momo Medical got in contact with a serious potential investor by the end of 2021. The conversations resulted in a signed term sheet in June 2022 which will translate into an increase in equity in the second half of this year of \$1.350.000. To fully finalise the term sheet, a due diligence was completed successfully and some legal documents are planned to be completed and signed in July 2022 with management and board. The company is of the opinion that final completion is a matter of putting the last few dots. In other words: management and board rank the risk of the signed term sheet not materializing, very low. Besides the increase in equity as mentioned above, management is looking to complete in the second half of 2022 two loans:

- A \$1.050.000 subordinated loan through the NPEX platform. The NPEX listing board has approved the submission of Momo Medical.
- A € 1.000.000 loan by the Rabobank for which a quote has been received by management.

On top of that Momo has concluded a strategic partnership with Stichting Innovatiefonds Ouderenzorg (IFOZ), resulting in a € 500,000 loan received in January 2022. Next to this funding IFOZ will actively support Momo Medical in the roll out of the BedSense.

With Monthly Recurring Revenue growth continuing in January 2022 to € 30,000 and existing customers looking to expand in addition to all the new customers being contracted, we strongly believe in a bright future and scale-up of the company. Our BedSense as a service business model ensures we get a steady stream of revenue. The consequence of this growth and scale-up phase is that we need funds to:

- Finance the working capital, in particular, stock of BedSenses and parts
- The growth of the implementation and sales team
- The ongoing R&D investments

Management is confident that the going concern position of the company is robust based on the rapid customer adaption of the BedSense, the historic rapid growth, the rewards received, the planned but not final \$1.350.000 equity investment and the future loans.

Basis of consolidation

The consolidated financial statements include the financial information of Momo Medical Holding B.V. and its group companies as at 31 December 2021 of the financial year. Group companies are legal entities and companies over which the group exercises control.

Group companies are fully consolidated as from the date on which control is obtained and until the date that control ceases. The items in the consolidated financial statements are determined in accordance with consistent accounting policies. Profits and losses resulting from intragroup transactions are eliminated in full.

Minority interests are presented separately in the consolidated financial statements. Minority interests in group companies are part of group equity. Minority interests in the income statement of group companies are deducted from result after tax.

Foreign currency

Functional currency

The consolidated financial statements are prepared and presented in euros, which is also the functional currency of the group.

Foreign currency translation

Transactions denominated in foreign currencies are initially recorded at the functional currency exchange rates on the date of transaction. Monetary balance sheet items denominated in foreign currencies are translated at the functional currency exchange rates on the balance sheet date. Non-monetary balance sheet items that are measured at historical cost in a foreign currency are translated at the functional exchange rates ruling on the date of transaction. Non-monetary balance sheet items that are measured at current value are translated at the functional exchange rates ruling on the date of valuation.

Foreign currency exchange rate results arising on the settlement or translation of monetary items denominated in foreign currencies are recognized in the income statement.

Exchange differences arising on the translation of non-monetary assets and liabilities denominated in foreign currencies that are carried at current value are recognized directly in the revaluation reserves in equity.

Offsetting

Assets and liabilities are only offset in the financial statements if and to the extent that:

- An enforceable legal right exists to offset the assets and liabilities and settle them simultaneously; and
- The firm intention is to settle the assets and liabilities on a net basis or simultaneously.

Property, plant and equipment

Property, plant and equipment for own use

Property, plant and equipment for own use are carried at the cost of acquisition or production (less any investment grants) net of accumulated depreciation and, if applicable, accumulated impairment losses.

Property, plant and equipment carried at cost do not include capitalized interest charges.

If the expected depreciation method, useful economic life and/or residual value are subject to changes over time, they are treated as a change in accounting estimate.

Depreciation

	%
Bedsenses	14,3
Machinery	20
Equipment	20

Inventories

Inventories of raw materials and consumables, work in progress (i.e. semi-manufactured goods), finished and trade goods are carried at the cost of acquisition or production or net realizable value, whichever is lower.

Receivables

Receivables under current assets are initially recognized at fair value plus transaction costs and subsequently stated at amortized cost based on the effective interest method net of a provision for doubtful debts when necessary.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand, bank balances, notes and cheques and carried at face value. It also includes deposits if these are effectively at the group's free disposal, even if interest income may be lost.

Cash at bank and in hand not expected to be at the group's free disposal for longer than twelve months is classified as financial assets under the non-current assets. Cash at bank and in hand are carried at face value.

Non-current liabilities

On initial recognition, non-current liabilities are carried at fair value less directly attributable transaction costs. After initial recognition, non-current liabilities are carried at amortized cost.

Current liabilities

On initial recognition, current liabilities are carried at fair value less directly attributable transaction costs. After initial recognition, current liabilities are carried at amortized cost. This is usually the face value for current liabilities.

Leasing

The group as lessor

Under operating leases, the lease income is recognized in the income statement over the term of the lease. Short-term reductions or exemptions from payment of current lease contracts as a result of the impact of Covid-19 are allocated to the period to which the reduction or exemption relates.

Income

General

Gross operation result represents net revenue, change in inventories and work in progress, capitalized production costs of own entity, other operating income, costs of raw materials and consumables and costs of outsourced work and other external charges. Net revenue represents the proceeds from the supply of goods and services, net of taxes levied on turnover and discounts.

Sale of goods

Income from the sale of goods is recognized in the income statement once all the major rights to economic benefits and significant risks relating to the goods have been transferred to the buyer, the income can be reliably measured and the income is probable to be received.

Services

If the result of a transaction relating to a service can be reliably estimated and the income is probable to be received, the income relating to that service is recognized in proportion to the service delivered. Stage of completion is based on the costs incurred in providing the services up to the balance sheet date in proportion to the estimated costs of the total services to be provided.

Interest

Interest income is recognized pro rata in the income statement, taking into account the effective interest rate for the asset concerned.

Government grants related to income

Government grants related to income are recognized in the income statement in the year in which the subsidized expenditure is incurred, in which the reduction of income is recognized or in which the operating loss is incurred for which the grant was received.

Expenses

General

Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate. Foreseeable and other obligations as well as potential losses arising before the financial year-end are recognized if they are known before the financial statements are prepared and provided all other conditions for forming provisions are met.

Personnel

Wages, salaries and social security charges are recognized in the income statement according to the terms of employment, to the extent they are due to either employees or the tax authorities.

The group recognizes an obligation if it has demonstrably committed to paying a termination benefit or transition payment. If the termination is part of a reorganization, the group includes the costs of a termination benefit or transition payment in a provision for reorganization costs.

Interest

Interest is allocated to successive financial reporting periods in proportion to the outstanding principal. Premiums and discounts are treated as annual interest charges so that the effective interest rate, together with the interest payable on the loan, is recognized in the income statement, with the amortized (net) cost of the liabilities being recognized in the balance sheet. Period interest expense and similar related expenses are recognized in the year in which they fall due.

Income tax expense

Current taxes

Taxes are calculated on the result as disclosed in the income statement based on current tax rates, allowing for tax-exempt items and cost items which are non-deductible, either in whole or in part.

Together with its Dutch group companies, the entity constitutes a fiscal unity. Taxes are settled within this fiscal unity as if each company were an independent taxable entity.

Workforce

The average number of staff (in FTE's) employed by the group in 2021 was 14 (2020: 9).

Notes to the consolidated balance sheet as at December 31, 2021

Receivables (1)

All receivables fall due within one year.

Non-current liabilities (2)

	2021	2020
	€	€
Non-current payables to banks	121,250	136,250
Current receivables relating to taxes and social security contributions	72,222	-
Non-current other payables	933,200	443,607
	<u>1,126,672</u>	<u>579,857</u>

The non-current liabilities include an amount of € 1,126,672 (2020: € 579,857) with a remaining term longer than one year and an amount of € 46,731 (2020: € 109,490) longer than five years.

Arrangements and commitments not shown in the balance sheet

Fiscal unit

The group forms part of a fiscal unit for corporate income tax and VAT purposes of Momo Medical Holding B.V., which makes the group jointly and severally liable for tax liabilities of the fiscal unit.

Employee stock option plans

The company has granted Stock appreciation rights (SARs) for the eligible employees, directors, officers, consultants and future members of the management of the company. Upon a liquidity event a granted SARs proceeds in a cash payment by the Company to the participant.

Rental agreement

Momo Medical B.V. has signed a rental agreement with Yes!Delft on 16 November 2020. The rental agreement consist an agreement of indefinite duration with a termination notice of two months. The yearly costs based on the agreement consists € 32,180 (including service costs) excluding VAT.

Company balance sheet as at December 31, 2021

(after treatment of loss)

Assets

	2021		2020	
	€	€	€	€
Non-current assets				
Financial assets		1		1
Current assets				
Receivables (3)	67,158		51	
Cash at bank and in hand	36,311		543,840	
Total of current assets		103,469		543,891
Total assets		<u>103,470</u>		<u>543,892</u>

Equity and liabilities

Equity (4)

Share capital paid called up	219		257	
Share premium	1,513,128		1,370,064	
Other reserves	(1,796,545)		(1,267,437)	
		(283,198)		102,884
Non-current liabilities (5)		208,766		349,297
Current liabilities		177,902		91,711
Total of equity and liabilities		<u>103,470</u>		<u>543,892</u>

Company income statement for the year ended December 31, 2021

	2021		2020	
	€	€	€	€
Net revenue		75,000		75,000
Other operating expenses		<u>169,987</u>		<u>72,693</u>
Total of operating result		(94,987)		2,307
Other interest income and related income	40,258		31,537	
Interest expenses and related expenses	<u>18,507</u>		<u>15,106</u>	
Financial income and expenses		21,751		16,431
Result before tax		<u>(73,236)</u>		<u>18,738</u>
Income tax expense		<u>-</u>		<u>-</u>
		(73,236)		18,738
Share in results of participating interests		<u>(455,910)</u>		<u>(505,909)</u>
Result after tax		<u><u>(529,146)</u></u>		<u><u>(487,171)</u></u>

Accounting policies used in preparing the company financial statements

General

The registered office according to the Articles of Association of Momo Medical Holding B.V. is in Delft. Momo Medical Holding B.V. is registered in the Commercial Register of the Chamber of Commerce under the file number: 68344554.

The address of Momo Medical Holding B.V. is Molengraaffsingel 12, 2629JD Delft.

The company has prepared the annual accounts in accordance with the Part 9 of Book 2 of the Dutch Civil Code, applying the annual accounts regime for micro-enterprises. To increase the understanding, additional explanations and specifications are included in these financial statements in addition to the information required by law. The financial statements have been prepared in English as agreed between the shareholders.

The annual accounts have been prepared

For the accounting policies , please refer to the accounting policies of the consolidated financial statements, unless stated otherwise below.

Activities of the company

For details of the company's activities, please refer to the consolidated financial statements.

Going concern

For details of the company's going concern, please refer to the consolidated financial statements.

Financial assets

Participating interests in group companies

Participating interests in group companies are valued using the net asset value method. Under this method, participating interests are carried at the company's share in their net asset value. The net asset value increases with its share in the results of the participating interest and its share in the changes recognized directly in the equity of the participating interest as from the acquisition date, determined in accordance with the accounting policies disclosed in these financial statements. The net asset value decreases with the entity's share in the dividend distributions from the participating interest. The company's share in the results of the participating interest is recognized in the income statement. If and to the extent the distribution of profits is subject to restrictions, these are included in a legal reserve. The company's share in direct equity increases and decreases of participating interests is also included in the legal reserve, except for asset revaluations recognized in the revaluation reserves.

Following application of the net asset value method, the company determines whether an impairment loss has to be recognized in respect of the participating interest. At each balance sheet date, the company assesses whether there are objective indications of impairment of the participating interest. If any such indication exists, the company determines the impairment loss as the difference between the recoverable amount and the carrying amount of the participating interest. This amount is recognized in the income statement.

If the value of the participating interest under the net asset value method has become nil, this method is no longer applied, with the participating interest being valued at nil as long as the net asset value remains negative. In connection with this, any long-term interests that, in substance, form part of the investor's net investment in the participating interest are included. A provision is recognized if and to the extent the company is liable for all or part of the debts of the participating interest or if it has a constructive obligation to enable the participating interest to repay its debts. The provision is carried at the present value.

A subsequent obtained share of the profit of the participating interest is recognized only if and to the extent that the accumulated share of the previously unrecognized loss has been compensated.

Results from transactions with or between participating interests that are carried at net asset value are recognized proportionally.

Income

Share in results of participating interests

The share in results of participating interests is the amount by which the carrying amount of the participating interest has changed since the previous financial statements as a result of the earnings achieved by the participating interest to the extent that this can be attributed to the company.

Income tax expense

Fiscal unity

Together with its Dutch group companies, the entity constitutes a fiscal unity. Taxes are settled within this fiscal unity as if each company were an independent taxable entity.

Notes to the company balance sheet as at December 31, 2021

Receivables (3)

All receivables fall due within one year.

Equity (4)

The difference between the 2021 group's equity (consolidated) and the company's equity is a result of the negative bookvalue of the participation of Momo Medical B.V.

Other reserves

The retained part of the result amounts to € 529,146 (2020: € 487,171) negative.

Non-current liabilities (5)

	2021	2020
	€	€
Non-current payables to banks	121,250	136,250
Non-current other payables	87,516	213,047
	<u>208,766</u>	<u>349,297</u>

The non-current liabilities include an amount of € 208,766 (2020: € 349,297) with a remaining term longer than one year and an amount of € - (2020: € 76,250) longer than five years.

Signatories to the financial statements

Delft,

Management board:

M.L. Gravemaker

R. van Solingen

L. Wold

Breakdowns of items on the consolidated balance sheet

Property, plant and equipment

	2021	2020
	€	€
Bedsenses	214,361	-
Machinery	4,519	7,019
Equipment	9,200	4,314
	<u>228,080</u>	<u>11,333</u>

	Bedsenses	Machinery	Equipment	Total
	€	€	€	€
Carrying amount as at January 1, 2021	-	7,019	4,314	11,333
Additions	250,088	-	6,698	256,786
Depreciation	(35,727)	(2,500)	(1,812)	(40,039)
Carrying amount as at December 31, 2021	<u>214,361</u>	<u>4,519</u>	<u>9,200</u>	<u>228,080</u>
Cost	250,088	12,500	12,541	275,129
Accumulated depreciation and impairments	(35,727)	(7,981)	(3,341)	(47,049)
Carrying amount as at December 31, 2021	<u>214,361</u>	<u>4,519</u>	<u>9,200</u>	<u>228,080</u>

	2021	2020
	€	€

Inventories

Raw materials and consumables	63,896	-
Inventories in transit	25,064	-
Finished and trade goods	61,284	24,710
	<u>150,244</u>	<u>24,710</u>

	2021	2020
	€	€
Receivables		
Trade receivables	229,329	18,926
Current receivables from other affiliated companies	50	50
Current receivables relating to taxes and social security contributions	7,149	-
Current other receivables, prepayments and accrued income	505,757	40,795
	<u>742,285</u>	<u>59,771</u>
Trade receivables		
Trade receivables	<u>229,329</u>	<u>18,926</u>
A provision for doubtful debts is not deemed necessary.		
Current receivables from other affiliated companies		
Current account STAK	<u>50</u>	<u>50</u>
Current receivables relating to taxes and social security contributions		
VAT receivable	<u>7,149</u>	<u>-</u>
Current other receivables, prepayments and accrued income		
Prepayments and accrued income	<u>505,757</u>	<u>40,795</u>
Prepayments and accrued income		
Settlement of government subsidy	-	26,219
Other prepayments	5,757	9,661
Loan to be received	500,000	4,915
	<u>505,757</u>	<u>40,795</u>

Cash at bank and in hand

	2021	2020
	€	€
Rabobank	44,377	596,978

Non-current liabilities

Non-current payables to banks	121,250	136,250
Non-current payables relating to taxes and social security contributions	72,222	-
Non-current other payables	933,200	443,607
	<u>1,126,672</u>	<u>579,857</u>

Non-current payables to banks

Loan Rabobank	<u>121,250</u>	<u>136,250</u>
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Loan Rabobank

Balance as at January 1	150,000	150,000
Repayment	(13,750)	-
Balance as at December 31	<u>136,250</u>	<u>150,000</u>
Repayment commitment next year	(15,000)	(13,750)
Long-term liabilities as at December 31 exceeding one year	<u>121,250</u>	<u>136,250</u>

The loan of € 150,000 received from the Rabobank consists of two loans of both € 75,000. The duration of both loans is 7 years and bears an interest rate of 7.50%. Loan A will be fully repaid at the end of maturity at 31 January 2026. Loan B will be repaid in monthly terms of € 1,250 starting from 28 February 2021.

	2021	2020
	€	€
Non-current payables relating to taxes and social security contributions		
Non-current payroll tax payable	44,821	-
Subsidy to be repaid (NOW)	27,401	-
	<u>72,222</u>	<u>-</u>

	2021	2020
	€	€
Non-current other payables		
Loan Stichting voor de Technische Wetenschappen	244,051	230,560
Loan Corona Overbruggingskrediet	87,516	213,047
Innovatiekrediet, Rijksdienst voor Ondernemend Nederland	101,633	-
Loan Stichting Innovatiefonds Ouderenzorg (IFOZ)	500,000	-
	<u>933,200</u>	<u>443,607</u>

Loan Stichting voor de Technische Wetenschappen

Balance as at January 1	279,890	267,020
Interest	13,491	12,870
	<u>293,381</u>	<u>279,890</u>
Repayment commitment next year	(49,330)	(49,330)
	<u>244,051</u>	<u>230,560</u>
Long-term liabilities as at December 31 exceeding one year		

Momo Medical Holding B.V. received a loan from Stichting voor de Technische Wetenschappen. The loan consists of an principle amount of € 246,650 and accrued interest of € 46,731. € 197,320 of the loan has a residual maturity longer dan 1 year and € 46,731 of the loan longer than 5 years. The amounts payable bears interest of 4.82 %.

	2021	2020
	€	€
Loan Corona Overbruggingskrediet		
Balance as at January 1	243,482	-
Addition	-	240,000
Interest	7,200	3,482
	<u>250,682</u>	<u>243,482</u>
Repayment	(34,476)	-
	<u>216,206</u>	<u>243,482</u>
Repayment commitment next year	(128,690)	(30,435)
	<u>87,516</u>	<u>213,047</u>
Long-term liabilities as at December 31 exceeding one year		

The loan of € 240,000 is granted by Regionale Ontwikkelingsmaatschappij InnovationQuarter B.V. The amounts payable bears yearly interest at 3.0%. The quarterly repayment consists € 30,435, starting at 31 december 2021.

	2021	2020
	€	€
Innovatiekrediet, Rijksdienst voor Ondernemend Nederland		
Balance as at January 1	-	-
Additions	119,588	-
	119,588	-
Interest	5,963	-
Repayment commitment next year	(23,918)	-
Long-term liabilities as at December 31 exceeding one year	101,633	-

Momo Medical Holding B.V. received an innovation loan up to a maximum of € 406,042 for the development of the project "BedSense". The payments are based on milestones and subjected to available co-financing which has been secured by the company.

The loan bears a 7% interest on annual base, which will be capitalised to the principal amount of the loan.

The repayment schedule of the loan received is as follows:

- 10% of the loan on 1 April 2022
- 10% of the loan on 1 July 2022
- 10% of the loan on 1 October 2022
- 10% of the loan on 1 January 2023
- 10% of the loan on 1 April 2023
- 10% of the loan on 1 July 2023
- 10% of the loan on 1 October 2023
- 10% of the loan on 1 January 2024
- 10% of the loan on 1 April 2024
- 10% of the loan on 1 July 2024
- the capitalized interest on 1 October 2024.

	2021	2020
	€	€
Loan Stichting Innovatiefonds Ouderenzorg (IFOZ)		
Balance as at January 1	-	-
Additions	500,000	-
Long-term liabilities as at December 31 exceeding one year	500,000	-

Momo Medical Holding B.V. will receive a loan from IFOZ of € 500,000 in the year 2022. The contract regarding this loan is signed at 30 December 2021. The loan bears 5% interest per year, which will be capitalised to the principle amount of the loan. Momo Medical Holding B.V. shall repay the loan and any outstanding interest in twenty installments according to a linear scheme with quarterly repayments, start for the first time on 31 March 2025.

Momo Medical Holding B.V. undertakes to additionally pay the following amounts to IFOZ, upon achievement of the following milestones within the five years after the date of the contract

- Payment of € 25,000 when Momo Medical Holding B.V. (and/or any affiliate of Momo) is directly or indirectly (e.g. via a distributor) servicing more than seven IFOZ Partners, with at least 30 beds per IFOZ Partner; AND
- Payment of € 50,000, when Momo Medical Holding B.V. (and/or any affiliate of Momo) is servicing or has serviced at least 5,000 beds of IFOZ Partners in addition to the amount of beds of IFOZ Partners serviced by Momo Medical Holding B.V.

	2021	2020
	€	€
Current liabilities		
Repayment obligations of non-current borrowings	216,938	93,515
Current trade payables	104,348	10,232
Current payables relating to taxes and social security contributions	53,169	90,630
Other liabilities, accruals and deferred income	391,142	104,313
	765,597	298,690

Repayment obligations of non-current borrowings

Loans	15,000	13,750
Current other payables	201,938	79,765
	216,938	93,515

	2021	2020
	€	€
Current trade payables		
Trade creditors	104,348	10,232
Current payables relating to taxes and social security contributions		
VAT payable	36,370	19,060
Payroll tax payable	16,799	71,570
	53,169	90,630
Other liabilities, accruals and deferred income		
Current accruals and deferred income	391,142	104,313
Current accruals and deferred income		
Holiday pay	13,391	10,444
Accounting fees	19,211	7,496
Net salary	15,821	21,902
Subsidy to be repaid (NOW)	19,342	58,026
Invoiced in advance	322,556	6,445
Other accruals	821	-
	391,142	104,313

Breakdowns of items in the consolidated income statement

	2021	2020
	€	€
Net revenue		
Net revenue	<u>198,331</u>	<u>23,654</u>
Cost of sales		
Technical development costs	<u>(1,639)</u>	<u>61,907</u>
Other operating income		
Subsidies received	<u>61,100</u>	<u>40,219</u>
Wages and salaries		
Gross income	430,330	272,348
Movement in holiday pay liability	<u>5,626</u>	<u>17,488</u>
	435,956	289,836
Sickpay benefit received	(64,721)	(43,791)
Subsidy received	<u>(54,334)</u>	<u>(22,815)</u>
	<u>316,901</u>	<u>223,230</u>
Social security charges		
Social security charges	<u>87,744</u>	<u>59,969</u>

	2021	2020
	€	€
Other staff costs		
Absenteeism insurance	10,748	9,521
Travel expenses	3,557	3,007
Temporary staff expenses	48,001	-
Travel allowance	5,294	5,106
Education expenses	3,152	260
Business entertainment expenses	-	904
Other staff costs	16,196	7,047
	<u>86,948</u>	<u>25,845</u>

Depreciation of property, plant and equipment

Bedsenses	35,727	-
Machinery	2,500	2,500
Equipment	1,812	590
	<u>40,039</u>	<u>3,090</u>

Other operating expenses

Accommodation costs	31,182	24,890
Office expenses	23,972	18,323
Car expenses	1,088	-
Selling expenses	26,518	14,154
General expenses	289,017	143,305
	<u>371,777</u>	<u>200,672</u>

Accommodation costs

Rent	21,201	17,825
Gas, water and electricity	9,981	8,882
One-time compensation (Corona)	-	(1,817)
	<u>31,182</u>	<u>24,890</u>

	2021	2020
	€	€
Office expenses		
Office supplies	4,350	5,780
IT costs	14,541	11,611
Telephone costs	5,081	932
	<u>23,972</u>	<u>18,323</u>
Car expenses		
Car expenses	<u>1,088</u>	<u>-</u>
Selling expenses		
Publicity and advertising costs	23,049	4,867
Business entertainment costs	1,364	1,214
Meals, beverages and consumptions	-	8,073
Store, packaging and display costs	2,105	-
	<u>26,518</u>	<u>14,154</u>
General expenses		
Management fee	87,000	54,775
Accounting fees	56,168	11,605
Accounting costs	-	13,993
Consultancy fees	48,167	33,152
Civil-law notary fees	26,837	8,062
Accounting costs - Vroegefasefinanciering	-	3,710
Transport expenses	9,978	1,334
Certification expenses	54,605	16,403
Other general expenses	6,262	271
	<u>289,017</u>	<u>143,305</u>

Financial income and expenses

	2021	2020
	€	€
Other interest income and related income		
Interest income	10	3
	<u>10</u>	<u>3</u>
Interest expenses and related expenses		
Bank charges	972	748
Interest loan Corona Overbruggingskrediet	7,200	3,482
Interest loan Rabobank	10,968	11,438
Interest Innovatiekrediet, Rijksdienst voor Ondernemend Nederland	5,963	-
Interest loan Stichting voor de Technische Wetenschappen	13,491	12,870
Other interest expenses	3,669	-
	<u>42,263</u>	<u>28,538</u>

Breakdowns of items in the company balance sheet

	2021	2020
	€	€
Financial assets		
Shares, certificates of shares and other types of participating interests in group companies	1	1
	<u>1</u>	<u>1</u>
Shares, certificates of shares and other types of participating interests in group companies		
Balance as at January 1	1	1
Shares, certificates of shares and other types of participating interests in group companies	(611,356)	(558,113)
	<u>(611,355)</u>	<u>(558,112)</u>
Provisions	611,356	558,113
	<u>611,356</u>	<u>558,113</u>
Balance as at December 31	1	1
	<u>1</u>	<u>1</u>

At 31 December 2021 the total amount of the provision of the participation consists € 1,457,721 (2019: € 1,001,811). The equity of the participation consists € 1,906,943 (2020: € 1,290,448).

	2021	2020
	€	€
Receivables		
Trade receivables	59,958	-
Current receivables from other affiliated companies	50	50
Current receivables from other legal entities and companies with a participating interest in the legal entity or from participating interests of the legal entity	1	1
Current receivables relating to taxes and social security contributions	7,149	-
	<u>67,158</u>	<u>51</u>

	2021	2020
	€	€
Trade receivables		
Trade receivables	59,958	-
A provision for doubtful debts is not deemed necessary.		
Current receivables from other affiliated companies		
Current account STAK	50	50
Current receivables from other legal entities and companies with a participating interest in the legal entity or from participating interests of the legal entity		
Current account Momo Medical B.V.	1	1
Balance as at January 1	1	1
Movements during the financial year	415,662	474,376
Interest	40,248	31,534
	455,911	505,911
Movement in provision	(455,910)	(505,910)
Balance as at December 31	1	1
The amounts receivable bears interest at 3,25%. The nominal value of the loan consists € 1,457,721.		
	2021	2020
	€	€
Current receivables relating to taxes and social security contributions		
VAT receivable	7,149	-

	2021	2020
	€	€
Cash at bank and in hand		
Rabobank	36,311	543,840

Equity

Share capital paid called up

600 shares sort A with a nominal value of € 0.10	60	98
1,323 shares sort B with a nominal value of € 0.10	132	132
269 shares sort C with a nominal value of € 0.10	27	27
	<u>219</u>	<u>257</u>

Share premium

Share premium B	1,299,868	1,299,868
Share premium C	70,196	70,196
Share premium D	68,493	-
Share premium E	74,571	-
	<u>1,513,128</u>	<u>1,370,064</u>

Share premium B

Balance as at January 1	1,299,868	999,868
Addition	-	300,000
Balance as at December 31	<u>1,299,868</u>	<u>1,299,868</u>

Share premium C

Balance as at January 1	70,196	-
Addition	-	70,196
Balance as at December 31	<u>70,196</u>	<u>70,196</u>

	2021	2020
	€	€
Share premium D		
Balance as at January 1	-	-
Addition	68,493	-
Balance as at December 31	68,493	-
Share premium E		
Balance as at January 1	-	-
Addition	74,571	-
Balance as at December 31	74,571	-
Other reserves		
Balance as at January 1	(1,267,437)	(780,266)
Profit appropriation	(529,146)	(487,171)
Repurchase of shares issued	38	-
Balance as at December 31	(1,796,545)	(1,267,437)
Non-current liabilities		
Non-current payables to banks	121,250	136,250
Non-current other payables	87,516	213,047
	208,766	349,297
Non-current payables to banks		
Loan Rabobank	121,250	136,250
Loan Rabobank		
Balance as at January 1	150,000	150,000
Repayment	(13,750)	-
Balance as at December 31	136,250	150,000
Repayment commitment next year	(15,000)	(13,750)
Long-term liabilities as at December 31 exceeding one year	121,250	136,250

The loan of € 150,000 received from the Rabobank consists of two loans of both € 75,000. The duration of both loans is 7 years and bears an interest rate of 7.50%. Loan A will be fully repaid at the end of maturity at 31 January 2026. Loan B will be repaid in monthly terms of € 1,250 starting from 28 February 2021.

	2021	2020
	€	€
Non-current other payables		
Loan Corona Overbruggingskrediet	87,516	213,047
Loan Corona Overbruggingskrediet		
Balance as at January 1	243,482	-
Addition	-	240,000
Interest	7,200	3,482
Repayment	(34,476)	-
	216,206	243,482
Repayment commitment next year	(128,690)	(30,435)
Long-term liabilities as at December 31 exceeding one year	87,516	213,047

The loan of € 240,000 is granted by Regionale Ontwikkelingsmaatschappij InnovationQuarter B.V. The amounts payable bears yearly interest at 3.0%. The quarterly repayment consists € 30,435, starting at 31 december 2021.

	2021	2020
	€	€
Current liabilities		
Repayment obligations of non-current borrowings	143,690	44,185
Current trade payables	29,712	-
Current payables relating to taxes and social security contributions	-	42,997
Current accruals and deferred income	4,500	4,529
	177,902	91,711

	2021	2020
	€	€
Repayment obligations of non-current borrowings		
Loans	15,000	13,750
Current other payables	128,690	30,435
	<u>143,690</u>	<u>44,185</u>
Current trade payables		
Trade creditors	<u>29,712</u>	<u>-</u>
Current payables relating to taxes and social security contributions		
VAT payable	<u>-</u>	<u>42,997</u>
Other liabilities, accruals and deferred income		
Current accruals and deferred income	<u>4,500</u>	<u>4,529</u>
Current accruals and deferred income		
Accounting fees	<u>4,500</u>	<u>4,529</u>

Breakdowns of items in the company income statement

	2021	2020
	€	€
Net revenue		
Management fee	75,000	75,000
Other operating expenses		
General expenses	169,987	72,693
General expenses		
Management fee	87,000	54,775
Accounting fees	6,325	3,265
Consultancy fees	12,000	-
Civil-law notary fees	13,542	-
Certification expenses	51,120	14,653
	169,987	72,693
Financial income and expenses		
Other interest income and related income		
Interest income	10	3
Interest current account Momo Medical B.V.	40,248	31,534
	40,258	31,537
Interest expenses and related expenses		
Bank charges	339	186
Interest loan Corona Overbruggingskrediet	7,200	3,482
Interest loan Rabobank	10,968	11,438
	18,507	15,106

Share in results of participating interests

Share in results Momo Medical B.V.

Movement in provision Momo Medical B.V.

2021	2020
€	€
(611,356)	(558,113)
155,446	52,204
<u>(455,910)</u>	<u>(505,909)</u>