Vivostat A/S

Borupvang 2, 3450 Allerød

Annual report

2020/21

Company reg. no. 10 03 33 65

The annual report was submitted and approved by the general meeting on the 9 September 2021.

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Tyge Korsgaard
Chairman of the meeting

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Contents

Management's report

Today, the board of directors and the managing director have presented the annual report of Vivostat A/S for the financial year 2020/21.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company’s assets, equity and liabilities, and financial position at 30 April 2021 and of the company’s results of activities in the financial year 1 May 2020 – 30 April 2021.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Allerød, 9 September 2021

Managing Director

Sven Lange

Board of directors

Tyge Korsgaard Chairman	Sven Lange	John Riis Mortensen

Independent auditor's report

To the shareholders of Vivostat A/S

Opinion

We have audited the financial statements of Vivostat A/S for the financial year 1 May 2020 - 30 April 2021, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 30 April 2021 and of the results of the company's activities for the financial year 1 May 2020 - 30 April 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Risskov, 9 September 2021

Martinsen
State Authorised Public Accountants
Company reg. no. 32 28 52 01

Søren Anthon Pedersen
State Authorised Public Accountant
mne10154

Company information

The company	Vivostat A/S Borupvang 2 3450 Allerød	
	Company reg. no.	10 03 33 65
	Established:	30 June 2000
	Domicile:	Allerød
	Financial year:	1 May - 30 April
Board of directors	Tyge Korsgaard, Chairman Sven Lange John Riis Mortensen	
Managing Director	Sven Lange	
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Voldbjergvej 16, 2. sal 8240 Risskov	
Parent company	Vivostat Holding ApS	

Management commentary

The Annual Report of Vivostat A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the accounting Standard on small enterprises as well as selected rules applying to reporting class C.

The annual Report has been prepared under the same accounting policies as last year.

The principal activities of the company

The Company’s main activities are to develop, produce and market the Vivostat System. Vivostat was established in 2000 and manufactures equipment and articles to stop bleeding and promote healing processes associated with hospitalizations. The products are used in a variety of contexts, among others during surgery and for the treatment of chronic wounds. "The raw material" is the patient's own blood from which a fibrin sealant or a platelet enriched fibrin product is recovered during a centrifugation process utilizing proprietary technology. 98% of revenue comes from exports to mainly Europe.

Development in activities and financial matters

The income statement of the Company for 2020/21 shows a result of -2.469.537 DKK against DKK 3.407.028 last year. Vivostat has not had a negative result since the financial year 2014/15. The result is unsatisfactory. There are three main reasons for the poor result:

- The Corona crisis has led to significantly lower revenue for Vivostat, as elective surgeries, where Vivostat's equipment is used, have been postponed in hospitals across Europe

- Uncertainty and challenges related to regulatory affairs has led to lower revenue in the financial year. Vivostat's Notified Body during 20 years, the British LRQA (Lloyds Register Quality Assurance), ceased to function as Notified Body in September 2019. Despite major bottleneck problems in the Notified Bodies market, Vivostat managed to secure a new Notified Body, Eurofins, Italy. Eurofins issued new CE certificates for all Vivostat products in May 2021, but throughout the financial year uncertainty prevailed , which negatively affected sales.

- Finally, a Swiss supplier declared bankruptcy in December 2020. Goods purchased from this supplier are not approved, which is why they have been discarded. This has led to higher COGS. The extraordinary cost and loss amounts to DKK 739.000.

At the end of the financial year and the beginning of the new financial year, 2 major milestones were achieved, which gives cause for optimism for the future.

Management commentary

In April 2021 Vivostat signed a Grant Agreement with the EU Commission. Vivostat has received a grant from the EIC (European Innovation Council) Accelerator Program. The grant will be used for a major development project regarding Vivostat's new product, Obsidian. The title of the project is: ”Obsidian ASG® – a powerful and efficient tissue sealant method for reducing the anastomotic leak rate in colorectal surgery”. As part of the project, a pivotal randomized clinical trial will be conducted in at least 10 hospitals in different countries in Europe. The size of the grant is approx. DKK 16 million. The EU Commission transferred the first tranche of DKK 8.771.826 as a prepayment for the project in April 2021 (see note). The project has no influence on the income statement for 2020/21, as the project starts on 1 May 2021.

The project will run for 24 months. Vivostat has successfully developed Obsidian ASG® to prevent leakages in connection with surgery in the gastrointestinal tract. The Obsidian product line seals and heals biologically using the patient's own blood. Studies indicate that the use of Obsidian ASG® reduces the leakage rate by more than 50%.

Another very positive milestone was achieved in May 2021, when Vivostat's new notifying body, Eurofins, issued new CE Certificates for all Vivostat's products, valid for the next three years.

Mainly because of an expected return to normal levels of elective surgeries post Corona and above mentioned positive achieved milestones, management has positive expectations for the coming financial year (2021/22). Positive cash flow is expected to be re-established, however we have noted, that the beginning of the financial year (2021/22) is still affected by the Corona crisis, but to a lesser extent than in the previous year.

Accounting policies

The annual report for Vivostat A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Income statement

Gross profit

Gross profit comprises the revenue, costs og sales, other operating income and external costs.

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

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

Lease income comprises income from the lease of property and from overhead costs collected and is recognised in the income statement for the period relating to the lease payment. Income from the heating account is recognised in the statement of financial position as a balance with lessees.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises and loss on receivables.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Research and development costs

Research and development costs comprise costs, salaries, and wages and depreciation directly or indirectly attributable to the company’s research and development activities.

Accounting policies

Research costs are recognised in the income statement in the year incurred. Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. Furthermore, there must be a proven correlation between the costs incurred and future earnings. However, lack of official approvals, customer approvals, and other uncertainties will often imply that the requirements for recognition as assets are not met and that development costs are charged to the income statement as incurred.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs comprise salaries, wages, and amortisation directly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

Accounting policies

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 10 years.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Technical plants and machinery	5-10 years	0
Other fixtures and fittings, tools and equipment	3-5 years	0

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Accounting policies

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Financial fixed assets

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounting policies

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

Accounting policies

According to the rules of joint taxation, Vivostat A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Liabilities concerning payables to suppliers and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Income statement 1 May - 30 April

All amounts in DKK.

Note		2020/21	2019/20
	Gross profit	**5.352.958**	**11.515.712**
2	Staff costs	-7.306.076	-7.261.490
	Depreciation, amortisation, and impairment	-420.246	-806.060
	Operating profit	**-2.373.364**	**3.448.162**
	Other financial income	0	16.815
3	Other financial costs	-96.173	-57.949
	Pre-tax net profit or loss	**-2.469.537**	**3.407.028**
	Tax on ordinary results	0	0
	Net profit or loss for the year	**-2.469.537**	**3.407.028**
	Proposed appropriation of net profit:		
	Transferred to retained earnings	0	3.407.028
	Allocated from retained earnings	-2.469.537	0
	Total allocations and transfers	**-2.469.537**	**3.407.028**

Statement of financial position at 30 April

All amounts in DKK.

Note	**Assets**	2021	2020
	Non-current assets		
4	Completed development projects, including patents and similar rights arising from development projects	1.083.415	938.668
	Total intangible assets	1.083.415	938.668
5	Plant and machinery	58.897	85.757
6	Other fixtures and fittings, tools and equipment	1.156.312	1.269.611
	Total property, plant, and equipment	1.215.209	1.355.368
7	Deposits	204.829	206.864
	Total investments	204.829	206.864
	Total non-current assets	**2.503.453**	**2.500.900**
	Current assets		
	Raw materials and consumables	3.315.641	2.868.373
	Manufactured goods and trade goods	1.722.079	2.949.796
	Total inventories	5.037.720	5.818.169
	Trade debtors	2.728.797	4.079.182
	Deferred tax assets	2.200.000	2.200.000
	Other receivables	123.571	555.582
	Accrued income and deferred expenses	241.266	248.079
	Total receivables	5.293.634	7.082.843
	Cash on hand and demand deposits	16.323.750	8.013.975
	Total current assets	**26.655.104**	**20.914.987**
	Total assets	**29.158.557**	**23.415.887**

Statement of financial position at 30 April

All amounts in DKK.

Note	Equity and liabilities	2021	2020
	Equity		
	Contributed capital	2.000.000	2.000.000
	Reserve for development expenditure	845.064	732.162
	Results brought forward	15.930.657	18.513.096
	Total equity	**18.775.721**	**21.245.258**
	Liabilities other than provisions		
	Bank debts	845	1.206
	Trade creditors	400.757	832.953
	Other payables	1.209.408	1.336.470
8	Accruals and deferred income	8.771.826	0
	Total short term liabilities other than provisions	10.382.836	2.170.629
	Total liabilities other than provisions	**10.382.836**	**2.170.629**
	Total equity and liabilities	**29.158.557**	**23.415.887**

1 Special items

9 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development costs	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 May 2019	2.000.000	1.013.667	14.824.563	1.500.000	19.338.230
Distributed dividend	0	0	0	-1.500.000	-1.500.000
Profit or loss for the year brought forward	0	0	3.407.028	0	3.407.028
Transferred from retained earnings	0	-281.505	0	0	-281.505
Transferred to reserve for development expenditure	0	0	281.505	0	281.505
Equity 1 May 2020	2.000.000	732.162	18.513.096	0	21.245.258
Profit or loss for the year brought forward	0	0	-2.469.537	0	-2.469.537
Transferred from retained earnings	0	112.902	0	0	112.902
Transferred to reserve for development expenditure	0	0	-112.902	0	-112.902
	2.000.000	**845.064**	**15.930.657**	**0**	**18.775.721**

Notes

All amounts in DKK.

1. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as compensations related to covid-19. The compensation amouts to DKK 768 thousand.

The result for the year was affected by a loss on part of the inventory as a supplier did not have the necessary approvals. The loss affected the result negatively by DKK 739 thousand.

		2020/21	2019/20
2.	**Staff costs**		
	Salaries and wages	6.673.261	6.674.119
	Pension costs	558.277	508.202
	Other costs for social security	22.911	23.290
	Other staff costs	51.627	55.879
		7.306.076	**7.261.490**
	Average number of employees	10	10
3.	**Other financial costs**		
	Other financial costs	96.173	57.949
		96.173	**57.949**

		30/4 2021	30/4 2020
4.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost opening balance	21.250.238	20.565.857
	Additions during the year	439.833	684.380
	Disposals during the year	-50.000	0
	Cost end of period	**21.640.071**	**21.250.237**
	Amortisation and writedown opening balance	-20.311.569	-19.699.569
	Amortisation for the year	-245.087	-612.000
	Amortisation and writedown end of period	**-20.556.656**	**-20.311.569**
	Carrying amount, end of period	**1.083.415**	**938.668**

Notes

All amounts in DKK.

		30/4 2021	30/4 2020
5.	**Plant and machinery**		
	Cost opening balance	1.432.644	1.399.151
	Additions during the year	0	33.493
	Cost end of period	**1.432.644**	**1.432.644**
	Depreciation and writedown opening balance	-1.346.887	-1.324.107
	Depreciation for the year	-26.860	-22.780
	Depreciation and writedown end of period	**-1.373.747**	**-1.346.887**
	Carrying amount, end of period	**58.897**	**85.757**

		30/4 2021	30/4 2020
6.	**Other fixtures and fittings, tools and equipment**		
	Cost opening balance	9.936.664	9.283.085
	Additions during the year	35.000	653.579
	Cost end of period	**9.971.664**	**9.936.664**
	Depreciation and writedown opening balance	-8.667.053	-8.495.773
	Depreciation for the year	-148.299	-171.280
	Depreciation and writedown end of period	**-8.815.352**	**-8.667.053**
	Carrying amount, end of period	**1.156.312**	**1.269.611**

		30/4 2021	30/4 2020
7.	**Deposits**		
	Cost opening balance	206.863	202.898
	Additions during the year	0	3.966
	Disposals during the year	-2.034	0
	Cost end of period	**204.829**	**206.864**
	Carrying amount, end of period	**204.829**	**206.864**

Notes

All amounts in DKK.

		30/4 2021	30/4 2020
8.	**Accruals and deferred income**		
	Obsidian Horizon project EU grant	8.771.826	0
		8.771.826	**0**

This accrual contains received EU grants covering more years.

9. Contingencies

Contingent assets

Total amount of accumulated tax deficit is DKK 95.378.245. The total deferred tax asset due to tax loss come to DKK 20.983.214. Only part of this amount has been booked as deferred tax asset.

Contingent liabilities

The company has entered into tenancy agreement with six months notice.

Joint taxation

With Vivostat Holding ApS, company reg. no 37291242 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The total tax payable under the joint taxation scheme totals DKK 0 thousand.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.