

ANNUAL REPORT
1. juli 2019 - 30. juni 2020

RD-Support ApS
Måløv Værkstedby 79
2760 Måløv

CVR nr. 30830644

Submitter:

Sønderup I/S
Statsautoriserede revisorer
CVR no. 31824559

**Presented and approved at the company's ordinary
general meeting 26. november 2020**

Chairman

John Harald Holm Arvidsen



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Management's Statement on the Annual Report

The management have today considered and approved the annual report for RD-Support ApS for the financial year 1 July to 30 June 2020.

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

In the managements opinion, the financial statements give a true and fair view of the company's financial position at 30 June 2020 and of its financial performance for the financial year 1 July to 30 June 2020.

We recommend the annual report for approval at the annual general meeting.

Måløv, 26. november 2020

Executive Board

John Harald Holm Arvidsen

Board of Directors:

John Harald Holm Arvidsen



Remus Anders Brix Haupt

Independent Auditor's Report

To the shareholders of RD-Support ApS

Auditor's Report on the Financial Statements

Opinion

We have audited the Financial Statements of RD-Support ApS for the financial year 1 July - 30 June 2020, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies, for the Company. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the Company's financial position at 30 June 2020 and of the results of the Company's operations for the financial year 1 July - 30 June 2020 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Significant uncertainty about continued operation

Without modifying our conclusion, we draw attention to the information in note 7 about uncertainty about the company's ability to continue operations. The uncertainty is attributable to the company having had a loss and lost capital. Management estimates that in the next 12 months from the balance sheet date, credit will be available from suppliers and capital owners, and that additional liquidity can be provided in the form of loans from capital owners, and thus prepare the annual accounts, assuming the company's continued operations.

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 of accounting information 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 judgment and maintain professional skepticism 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.

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

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, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Karlslunde, 26. november 2020

SØNDERUP I/S
statsautoriserede revisorer
CVR 31824559

Boye Gregers Rynord
statsautoriseret revisor
mne26720

Management's review

Principal activities

The company's main activity is development and production of plastic items for the medico business.

Development in activities and financial position

From the company's beginning in 2007, the long-term strategy for RD-support's evolution was first to build up the company's capabilities/infrastructure for development and manufacturing of microfluidic devices. This strategy approach was based on two stages. At stage one RD-support should be self-financed based on service business, primarily for the human diagnostic industry, which RD-support founders have a long background in developing products.

With experience from two previous startups, the idea was to hold off until stage two to involve investors.

RD-support APS has successfully grown its own internal technology and infrastructure in these key areas:

- Considerable knowledge and experience in design and development of medical devices,
- Fully automated robot-CNC-machining cell for manufacturing high precision injection molding tool
- Molding shop for manufacturing of high precision microstructure of medical plastic devices,
- Clean-room manufacturing facility for assembly of microfluidic systems (Lab-on-chip),

In stage one, RD-support has also created a series of own inventions and patents, that supports both the service business and later stand-alone product for the stage two strategy.

Since Q3-2016, RD-support has significantly accelerated its own internal development, focusing on inventions to control liquid movement in closed microfluidic systems, specifically for PCR system/pre-sampling, integration with valve system and on-card liquid storage systems. In addition to RD Support APS's R&D activities, RD Support APS sister company in UK, RD Support Ltd has focused its efforts on sensor development that can be used for complete integrated diagnostic systems.

The management group of RD support has come to the conclusion that goals for stage one have been achieved and are right to in audit for stage two and it will be finish in 18-Dec-2020.

Significant events after the end of the financial year

No events have occurred after the end of the financial year that could significantly affect the company's financial position.

Accounting principles applied

The annual report for RD-Support ApS 2019/20 has been prepared in accordance with the Danish Financial Statements Act for class B companies with application of individual rules from class C.

The income statement is presented by type of expenditure and the balance sheet is presented in account from. The measurement currency used is Danish kroner. All other currencies are considered foreign currency.

The accounting principles were applied consistently with the principles of last year's financial reporting.

General information on recognition and measurement

Income is recognized in the income statement as earned, including any value adjustments of financial assets and liabilities. Furthermore, all costs, including amortisation/depreciation and write-downs, are recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of the assets can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the company, and the value of the liabilities can be measured reliably.

The first recognition measures assets and liabilities at cost. Subsequently, assets and liabilities will be measured individually in respect of each accounting item as described below.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income statement

Gross profit

In pursuance of section 32 (1) of the Danish Financial Statements Act, the first item in the income statement is the gross profit. The item gross profit is the result of revenue, cost of sales, other external cost and other operating income.

Revenue

Revenue from the sale of services is recognized in the income statement as performed, if the income can be determined reliably and is expected to be received. Revenue is recognized ex. VAT and net of discounts in connection with the sale. Revenue corresponds to the market value of the work in progress (production method).

Cost of goods sold

Cost of goods sold comprises the financial year's cost of sales measured to sales price, adjusted for ordinary inventory write-offs.

Accounting principles applied

Other external costs

Other external cost comprise costs for distribution, sales, advertising, administration, premises, bad debts, operating leasing costs etc.

Staff costs

Staff costs contains salaries and wages, including holiday payment, pensions and other social security costs etc. to the company's employees. In staff expenses are received subsidies from public authorities, deducted.

Financial items

Financial income and expenses are recognized in the income statement with the amounts relating to the financial year. The financial items comprise interest income and expense, realized and unrealized exchange rate, gains and losses resulting from transactions in foreign currencies and surcharges and refunds regarding corporation tax.

Tax for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly on equity by the portion attributable to entries directly on equity.

Balance sheet

Intangible fixed assets

Development projects are measured at cost less accumulated depreciation and write-down. Development projects are amortized straight-line over its expected economical life which is estimated at 5 years.

Completed and ongoing development projects as well as internally acquired rights are activated. If the development project is completed, the asset is depreciated over 5 years. In the case of ongoing development projects, an impairment test is performed on the revaluation value.

Earnings or loss on disposal of intangible fixed assets is calculated as the difference between the sales price less sales costs and the book value at the time of sale. Profit and losses are entered in the income statement under other operating income and -costs.

Tangible fixed assets

Operating equipment, tools and fixtures as well as leasehold improvements are measured at cost price less accumulated depreciation and write-down.

Depreciation is based on cost price less expected residual value after end of service life. The cost price includes acquisition price and costs directly linked to the acquisition until the time when the asset is ready for commencement of use.

Straight-line depreciation is based on the following assesment of the assets expected useful lives:

Accounting principles applied

- Other fixtures and fittings, tools and equipment: Life cycle 3-12 years, residual value 0%.
- Leasehold improvements: Life cycle 5-10 years, residual value 0%.

Assets with a cost per unit under the tax threshold for small assets are recognized as expenses in the year of acquisition.

Profits or losses in connection with disposal of tangible fixed assets are calculated as the difference between the sales price less sales costs and the book value at the time of sale. Profits and losses are entered in the income statement under other operating income and -costs.

Leases

Leases relating to plant and equipment where the company has all significant risks and rewards of ownership (financial leasing) are recognized in the balance sheet as assets. On initial recognition, the assets are measured at the present value of the future lease payments. When calculating value for this. Financially leased assets are depreciated as other similar plant and equipment.

The capitalized residual lease obligation is recognized in the balance sheet as a liability, and the interest portion of the lease is recognized over the term of the contract in the income statement.

All other leases are considered operational leases. Benefits in connection with operational leasing and other lease agreements are recognized in the income statement over the term of the contract. The company's total obligation regarding operating leases and leases is disclosed under contingent items, etc.

Financial fixed assets Other receivables

Deposits are measured at cost.

Impairment of fixed assets

The carrying value of intangible and tangible fixed assets and investments in subsidiaries are assessed annually for indications of impairment beyond what is expressed by depreciation.

If there are indications of impairment, an impairment test of each asset or group of assets will be made. Impairment will be made to its recoverable amount if this is lower than the carrying value.

Inventories

Inventories are valued at cost using the FIFO method. In cases where net realizable value is lower than cost, it will be written down to this lower value.

Cost of goods for resale, raw materials and consumables comprise of purchase price plus transportation costs.

The cost of finished goods and work in progress comprises raw materials, direct labor and direct production costs.

Accounting principles applied

The net realizable value of inventories is calculated as the selling price less costs of completion and costs to be incurred to make the sale and is determined taking into account marketability, obsolescence and development in expected sales.

Receivables

Receivables are measured at amortized cost, which usually corresponds to the nominal value. Value is reduced by provisions for bad debts.

Contract work in progress

Contract work in progress is measured at market value of the work performed. Revenue is measured at the stage of completion at the balance sheet date and the total estimated income from the contract work.

Prepayments

Prepaid expenses are recorded as assets.

Tax payable and deferred tax

Current tax liabilities and current tax assets are recognized in the balance sheet as tax calculated on the taxable income allocated with the current tax rate, and adjusted for tax on prior years taxable income and prepaid taxes.

Deferred tax is measured by the liability method concerning temporary differences between the carrying value and tax value of assets and liabilities, calculated based on the planned use of the assets and settlement of the obligation, respectively.

Deferred tax assets, including the tax value of tax losses allowed for carry-forward, are measured at the value at which the asset is expected to be realisable, either through elimination in tax on future earnings or through offsetting in deferred tax liabilities in the same legal tax unit. Any deferred net tax assets are measured at their net realisation values.

Deferred tax is measured based on the tax rules and tax rates applicable in pursuance of the legislation in force on the balance sheet date when the deferred tax is expected to become payable as current tax. Changes in deferred tax due to change in tax rates is recognized in the income statement.

Liabilities

Other liabilities are measured at amortised cost corresponding to the nominal value.

Conversion of foreign currency

Transactions in foreign currencies are converted at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognized in the income statement as a financial income or expense. If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognized directly in the equity.

Accounting principles applied

Accounts receivable, payable and other monetary items in foreign currencies that are not settled on the balance sheet date are converted at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the receivable or payable is recognized in the income statement as financial income or expenses.

Income statement 1 July - 30 June

Note	2019/20	2018/19
Gross profit	14.640.253	2.196.742
1. Staff costs	-5.102.142	-2.041.395
Depreciation and write-downs	-1.092.832	-1.030.234
OPERATING PROFIT	8.445.279	-874.887
Other financial income	898	666
Other financial costs	-117.369	-250.408
PROFIT/-LOSS BEFORE TAX	8.328.808	-1.124.629
2. Tax for the year	-1.778.576	87.161
NET PROFIT/-LOSS FOR THE YEAR	6.550.232	-1.037.468
Appropriation of profit		
Retained earnings	6.550.232	-1.037.468
Total appropriation	6.550.232	-1.037.468

Balance sheet 30 June

Note	2019/20	2018/19
ASSETS		
Completed development projects	414.327	536.632
Acquired concessions, patents, licenses and similar	469.182	250.490
Development projects under construction and prepayments	247.580	0
Total intangible fixed assets	1.131.089	787.122
3. Other fixtures and fittings, tools and equipment	3.654.456	2.915.992
Leasehold improvements	485.992	264.226
Tangible fixed assets under construction	1.186.890	0
Total tangible fixed assets	5.327.338	3.180.218
Financial fixed assets		
Other receivables	60.987	60.987
Total financial fixed assets	60.987	60.987
TOTAL FIXED ASSETS	6.519.414	4.028.327
Raw materials and consumables	240.944	107.704
Total inventories	240.944	107.704
Receivables from sales and services	2.226.323	2.793.841
Contract work in progress	593.225	98.013
Deferred tax assets	0	172.425
Other receivables	1.150.427	144.671
Prepayments	265.233	74.819
Total receivables	4.235.208	3.283.769
Cash funds	2.946.808	1.711
Total cash funds	2.946.808	1.711
TOTAL CURRENT ASSETS	7.422.960	3.393.184
TOTAL ASSETS	13.942.374	7.421.511

Balance sheet 30 June

Note	2019/20	2018/19
EQUITY AND LIABILITIES		
4. Equity		
Share capital	126.000	126.000
Revaluation reserve	31.200	62.400
Reserve for development costs	516.286	418.573
Retained earnings	5.726.494	-757.225
TOTAL EQUITY	6.399.980	-150.252
Provisions for deferred tax	352.673	0
TOTAL PROVISIONS	352.673	0
5. Long-term liabilities		
Lease commitments	896.439	1.284.706
Income tax	1.345.592	0
Other payables	0	104.658
Total long-term liabilities	2.242.031	1.389.364
Current share of long-term liabilities	388.000	560.000
Other credit institutions	320.378	410.050
Prepayments from customers	1.955.839	2.772.852
Suppliers of goods and services	1.160.656	860.599
Other payables	1.016.178	294.555
Debt to shareholders and management	106.639	1.284.343
Total short-term liabilities	4.947.690	6.182.399
TOTAL LIABILITIES	7.189.721	7.571.763
TOTAL EQUITY AND LIABILITIES	13.942.374	7.421.511
6. Charges and securities		
7. Contingencies		

Noter

	2019/20	2018/19
1. Staff costs		
Salaries	4.878.533	1.855.947
Pension costs	132.982	105.327
Other social security costs	90.627	80.121
Total staff costs	5.102.142	2.041.395
Persons employed on average	11	6
2. Tax for the year		
Income tax	-1.370.592	0
Regulation of past years taxes	4.002	-2.000
Regulation of deferred tax	-525.098	89.161
Payment of development costs from SKAT	113.112	0
	-1.778.576	87.161
3. Other fixtures and fittings, tools and equipment		
The accounting item, operating equipment and fixtures include financial leasing assets with a carrying amount of a total of DKK.	1.605.993	2.304.935
The accounting item, other plants, operating equipment and fixtures is before revaluation DKK.	3.614.456	2.835.992
4. Equity		
Share capital		
Beginning of year	126.000	126.000
End of year	126.000	126.000
Revaluation reserve		
Beginning of year	62.400	93.600
Reversal of revaluation	-31.200	-31.200
End of year	31.200	62.400
Reserve for development costs		
Beginning of year	418.573	401.032
Additions during the year	425.559	122.184
Disposals during the year	-327.846	-104.643
End of year	516.286	418.573
Retained earnings		
Beginning of year	-757.225	266.584
Transferred from net profit	6.550.232	-1.037.468
Transferred to/from reserve for development costs	-425.559	-122.184
Correction for net revaluation under the equity method	31.200	31.200
Depreciation on revaluation	327.846	104.643
End of year	5.726.494	-757.225
Equity end of year	6.399.980	-150.252

Noter

5. Long-term liabilities

DKK 0 of long-term debt are due after 5 years.

6. Charges and securities

For collateral for debt to credit institutions, the following collateral has been provided.

Receivable charges DKK 500.000. The booked value of receivables from trade debtors is TDKK 1.921.

7. Contingencies

The company has entered into a lease with an annual rent cost of TDKK 157. Within the contract there is a clause stating that 6 months notice is required prior to termination of the lease.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

John Harald Holm Arvidsen

Som Direktør NEM ID
PID: 9208-2002-2-490570138207
Tidspunkt for underskrift: 04-12-2020 kl.: 11:57:58
Underskrevet med NemID

John Harald Holm Arvidsen

Som Bestyrelsesmedlem NEM ID
PID: 9208-2002-2-490570138207
Tidspunkt for underskrift: 04-12-2020 kl.: 11:57:58
Underskrevet med NemID

John Harald Holm Arvidsen

Som Dirigent NEM ID
PID: 9208-2002-2-490570138207
Tidspunkt for underskrift: 04-12-2020 kl.: 11:57:58
Underskrevet med NemID

Boye Gregers Rynord

Som Revisor NEM ID
RID: 12437562
Tidspunkt for underskrift: 04-12-2020 kl.: 12:04:51
Underskrevet med NemID

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