

REVISIONS FIRMAET EDELBO
STATSAUTORISERET
REVISIONSPARTNERSELSKAB

Bio Circle Surface Technology ApS

Toftvej 1
5772 Kværndrup

CVR-nr. 35664270

**Annual report for the financial year
1 January 2019 - 31 December 2019**

Presented and adopted at the Annual
General Meeting on 1 April 2020



Carsten Højgaard Bødker
Chairmann



KOGTVEDLUND

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Contents

Management's Statement	3
Independent Auditor's Report	4
Company Information	7
Management's Review	8
Accounting Policies	9
Income Statement	12
Balance Sheet	13
Notes	15

Management's Statement

Today, Management has considered and adopted the Annual Report of Bio Circle Surface Technology ApS for the financial year 1 January 2019 - 31 December 2019.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January 2019 - 31 December 2019.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

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

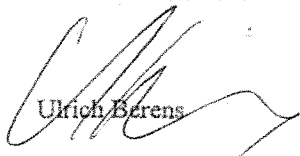
Svendborg, 30 March 2020

Executive Board



Carsten Højsgaard Bødker
CEO

Board of Directors



Ulrich Egeens



Mikael Linn Højsgaard Bødker



Carsten Højsgaard Bødker

Independent Auditor's Report

To the shareholders of Bio Circle Surface Technology ApS

Opinion

We have audited the financial statements of Bio Circle Surface Technology ApS for the financial year 1 January 2019 - 31 December 2019, which comprise an income statement, balance sheet and notes. 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 31 December 2019 and of the results of its operations for the financial year 1 January 2019 - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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.

Management's responsibility 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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

Independent Auditor's Report

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- *Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- *Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- *Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Independent Auditor's Report

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Svendborg, 30 March 2020

Revisionsfirmaet Edelbo

Statsautoriseret Revisionspartnerselskab

CVR-no. 35486178



Morten Pedersen
statsautoriseret revisor
mne31470

Company details

Company	Bio Circle Surface Technology ApS Toftevej 1 5772 Kværndrup
CVR No.	35664270
Date of formation	4 February 2014
Financial year	1 January 2019 - 31 December 2019
Supervisory Board	Ulrich Berens Mikael Linn Højsgaard Bødker Carsten Højsgaard Bødker
Executive Board	Carsten Højsgaard Bødker, CEO
Auditors	RevisionsFirmaet Edelbo Statsautoriseret Revisionspartnerselskab "Kogtvedlund" Kogtvedparken 17 5700 Svendborg CVR-no.: 35486178
Contacts	Morten Pedersen, statsautoriseret revisor

Management's Review

The company's most significant activities

The company's most significant activities consist of offering innovative products within surface treatment.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2019 - 31 December 2019 shows a result of DKK 134.923 and the Balance Sheet at 31 December 2019 a balance sheet total of DKK 5.494.683 and an equity of DKK 656.326.

Management considers the profit for the year to be acceptable.

The realised profit is affected by non-recurring costs in connection with the relocation of the company's activities to a new location.

In 2019, the company has continued its expansion, including extended its sales force as well as strengthened the existing resources and competences in the sales function.

The initiative, which has resulted in the increase of the company's employee costs as stated in the profit and loss account, has not had the expected effect in terms of results and as a consequence hereof, the management of the company has made the necessary organisational adjustments relating to personnel.

The company expects an improved profit in 2020.

Events after the financial year end

The rapid spreading of the coronavirus in Denmark and the rest of the world in March 2020 has necessitated a number of restrictions from the Danish authorities which potentially may have huge socio-economic consequences.

For now, Bio Circle Surface Technology ApS is not significantly affected by the implemented restrictions.

If the coronavirus outbreak becomes long-term and the authorities implement further initiatives to contain the spread of the infectious disease, the socio-economic consequences may become significant. In such a scenario, Bio Circle Surface Technology ApS may also be affected negatively.

However, the Danish authorities have already planned several financial subsidies and are expected to implement further financial subsidies in case of a prolonged outbreak which will alleviate the consequences of the restrictions.

Moreover, no events of considerable importance to the company's financial position have occurred after the financial year end.

Accounting Policies

Reporting Class

The Annual Report of Bio Circle Surface Technology ApS for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with the adoption of individual rules from class C.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement

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

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Accounting Policies

Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature to the principal activity of the Company.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-10 years	0%

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance Sheet

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

Tangible assets that are leased and meet the conditions for financial leasing are treated according to the same guidelines as those applying to purchased assets.

The cost of financially leased assets is measured at the lower value of the purchase prices according to the leases and the present value of the lease payments, determined on the basis of the interest rate implicit in the leases.

Accounting Policies

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Inventories

Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is lower.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Financial liabilities

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

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2019 kr.	2018 kr.
Gross profit		5.136.663	4.568.828
Employee benefits expense	1	-4.786.400	-4.124.522
Depreciation, amortisation and impairment losses		-121.434	-71.244
Profit from ordinary operating activities		228.829	373.062
Other finance income	2	8.627	12.240
Finance expences	3	-58.189	-81.378
Profit from ordinary activities before tax		179.267	303.924
Tax expense on ordinary activities		-44.344	-74.285
Profit		134.923	229.639
Proposed distribution of results			
Retained earnings		134.923	229.639
Distribution of profit		134.923	229.639

Balance Sheet as of 31 December

	Note	2019 kr.	2018 kr.
Assets			
Fixtures, fittings, tools and equipment	4	27.078	54.268
Leasehold improvements	5	140.435	7.547
Property, plant and equipment		<u>167.513</u>	<u>61.815</u>
Deposits		45.000	0
Investments		<u>45.000</u>	<u>0</u>
Fixed assets		<u>212.513</u>	<u>61.815</u>
Manufactured goods and goods for resale		2.139.740	2.091.840
Inventories		<u>2.139.740</u>	<u>2.091.840</u>
Short-term trade receivables		2.359.025	1.971.621
Current deferred tax		0	44.229
Short-term tax receivables		0	20.000
Deferred income		240.977	325.168
Receivables		<u>2.600.002</u>	<u>2.361.018</u>
Cash and cash equivalents		<u>542.428</u>	<u>448.516</u>
Current assets		<u>5.282.170</u>	<u>4.901.374</u>
Assets		<u>5.494.683</u>	<u>4.963.189</u>

Balance Sheet as of 31 December

	Note	2019 kr.	2018 kr.
Liabilities and equity			
Contributed capital	6	80.000	80.000
Retained earnings	7	576.326	441.403
Equity		<u>656.326</u>	<u>521.403</u>
Provisions for deferred tax		4.394	44.092
Provisions		<u>4.394</u>	<u>44.092</u>
Other payables		140.208	0
Long-term liabilities other than provisions	8	<u>140.208</u>	<u>0</u>
Debt to banks		37.131	18.679
Trade payables		2.894.690	2.705.342
Tax payables		32.883	37.263
Other payables		1.183.523	1.091.884
Payables to shareholders and management		545.528	544.526
Short-term liabilities other than provisions		<u>4.693.755</u>	<u>4.397.694</u>
Liabilities other than provisions within the business		<u>4.833.963</u>	<u>4.397.694</u>
Liabilities and equity		<u>5.494.683</u>	<u>4.963.189</u>
Contingent liabilities	9		
Collaterals and assets pledges as security	10		

Notes

	2019	2018
1. Employee benefits expense		
Wages and salaries	4.449.322	3.795.786
Post-employment benefit expense	317.625	273.116
Social security contributions	19.453	50.383
Other employee expense	0	5.237
	<u>4.786.400</u>	<u>4.124.522</u>
Average number of employees	<u>8</u>	<u>7</u>
2. Finance income		
Other finance income	8.627	12.240
	<u>8.627</u>	<u>12.240</u>
3. Finance expenses		
Other finance expenses	58.189	81.378
	<u>58.189</u>	<u>81.378</u>
4. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	81.569	44.600
Addition during the year, incl. improvements	52.242	36.969
Disposal during the year	-52.242	0
Cost at the end of the year	<u>81.569</u>	<u>81.569</u>
Depreciation and amortisation at the beginning of the year	-27.301	-8.363
Amortisation for the year	-27.190	-18.938
Impairment losses and amortisation at the end of the year	<u>-54.491</u>	<u>-27.301</u>
Carrying amount at the end of the year	<u>27.078</u>	<u>54.268</u>
5. Leasehold improvements		
Cost at the beginning of the year	18.869	0
Addition during the year, incl. improvements	156.039	18.869
Disposal during the year	-18.869	0
Cost at the end of the year	<u>156.039</u>	<u>18.869</u>
Depreciation and amortisation at the beginning of the year	-11.322	0
Amortisation for the year	-15.604	-11.322
Reversal of impairment losses and amortisation of disposed assets	11.322	0
Impairment losses and amortisation at the end of the year	<u>-15.604</u>	<u>-11.322</u>
Carrying amount at the end of the year	<u>140.435</u>	<u>7.547</u>

Notes

	2019	2018
6. Contributed capital		
Balance at the beginning of the year	80.000	80.000
Balance at the end of the year	80.000	80.000

The share capital has remained unchanged for the last 5 years.

7. Retained earnings

Balance at the beginning of the year	441.403	211.764
Additions during the year	134.923	229.639
Balance at the end of the year	576.326	441.403

8. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Other payables	140.208	0	0
	140.208	0	0

9. Contingent liabilities

The company has a leasing debt with a residual maturity of 3-46 months. The totale leasing debt of 31 of December 2019 is 1.266.514 kr.

A lease has been signed with notice of termination of 6 months. The obligation of this amounts to 90.000 kr.

10. Collaterals and securities

No securities or mortgages exist at the balance sheet date.