

Zarodent ApS

Karl Bjarnhofs Vej 13, 7120 Vejle Øst

Annual report

2021

Company reg. no. 36 07 36 91

The annual report was submitted and approved by the general meeting on the 29 June 2022.

Joachim Erwin Siegler
Chairman of the meeting

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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 %.

Management's statement

Today, the Managing Director has approved the annual report of Zarodent ApS for the financial year 2021.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

Further, in my opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Vejle Øst, 28 June 2022

Managing Director

Joachim Erwin Siegler

Independent auditor's report

To the Shareholder of Zarodent ApS

Opinion

We have audited the financial statements of Zarodent ApS for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without it affecting our conclusion, we refer to the management's review and note 1, where it is stated that management expects the share capital reestablished through future earnings and that the company's owner is going to financially support further operations, which is a condition for the company's ability to continue as a going concern.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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.

Independent auditor's report

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.

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.

Vejle, 28 June 2022

Martinsen

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

Jakob Olsen

State Authorised Public Accountant
mne46636

Company information

The company

Zarodent ApS
Karl Bjarnhofs Vej 13
7120 Vejle Øst

Phone 70555510
Web site www.zarodent.dk

Company reg. no. 36 07 36 91
Established: 22 August 2014
Domicile: Vejle
Financial year: 1 January - 31 December

Managing Director

Joachim Erwin Siegler

Auditors

Martinsen
Statsautoriseret Revisionspartnerselskab
Dandyvej 3 B
7100 Vejle

Management´s review

The principal activities of the company

Like previous years, the activities are selling instruments and materials to the dental industry.

Development in activities and financial matters

The gross profit for the year totals DKK 695.699 against DKK 757.629 last year. Income or loss from ordinary activities after tax totals DKK 171.463 against DKK 215.902 last year.

The company has lost its share capital. The continued operation is subject to the financial support from the owners being maintained and, if necessary, extended so that the company will at any time be able to meet its obligations as they fall due. The owners have indicated that they will provide the necessary financial support and, on the basis of the above, the management presents the annual accounts with the view to continue as a going concern.

Special items contain COVID-19 compensation received, and affect the result positively by DKK 99.290.

Accounting policies

The annual report for Zarodent ApS 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 profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Income statement

Gross profit

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

The enterprise will be applying 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.

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. Furthermore, this item comprises received subsidies, damages, and compensation due to the coronavirus situation.

Accounting policies

Other external expenses comprise expenses 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.

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 and transactions in foreign currency, as well as surcharges and reimbursements under the advance tax scheme, etc.

Statement of financial position

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

Prepayments

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

Cash and cash equivalents

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

Liabilities other than provisions

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

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	695.699	757.629
3 Staff costs	-492.796	-507.221
Operating profit	202.903	250.408
Other financial expenses	-31.440	-34.506
Net profit or loss for the year	171.463	215.902
Proposed appropriation of net profit:		
Transferred to retained earnings	171.463	215.902
Total allocations and transfers	171.463	215.902

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Current assets		
Manufactured goods and trade goods	284.096	0
Total inventories	<u>284.096</u>	<u>0</u>
Trade receivables	77.615	56.100
Other receivables	7.938	7.938
Prepayments	0	2.350
Total receivables	<u>85.553</u>	<u>66.388</u>
Cash and cash equivalents	22.089	250.500
Total current assets	<u>391.738</u>	<u>316.888</u>
Total assets	<u>391.738</u>	<u>316.888</u>
Equity and liabilities		
Equity		
Contributed capital	50.000	50.000
Retained earnings	-553.682	-725.145
Total equity	<u>-503.682</u>	<u>-675.145</u>
Liabilities other than provisions		
4 Other payables	52.034	54.000
Total long term liabilities other than provisions	<u>52.034</u>	<u>54.000</u>
Trade payables	738.781	712.017
Other payables	104.605	226.016
Total short term liabilities other than provisions	<u>843.386</u>	<u>938.033</u>
Total liabilities other than provisions	<u>895.420</u>	<u>992.033</u>
Total equity and liabilities	<u>391.738</u>	<u>316.888</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

- 1** Uncertainties concerning the enterprise's ability to continue as a going concern
- 2** Special items
- 5** Contingencies

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2020	50.000	-941.047	-891.047
Profit or loss for the year brought forward	<u>0</u>	<u>215.902</u>	<u>215.902</u>
Equity 1 January 2021	50.000	-725.145	-675.145
Profit or loss for the year brought forward	<u>0</u>	<u>171.463</u>	<u>171.463</u>
	<u>50.000</u>	<u>-553.682</u>	<u>-503.682</u>

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

The company has lost its share capital.

The continued operation is subject to the financial support from the owners being maintained and, if necessary, extended so that the company will at any time be able to meet its obligations as they fall due. The owners have indicated that they will provide the necessary financial support and, on the basis of the above, the management presents the annual accounts with the view to continue as a going concern.

2. Special items

Special items for the year are specified below, indicating where they are recognised in the income statement.

	<u>2021</u>	<u>2020</u>
Income:		
COVID-19 compensation	<u>99.290</u>	<u>132.155</u>
	<u>99.290</u>	<u>132.155</u>
Special items are recognised in the following items in the financial statements:		
Other operating income (Gross profit)	<u>99.290</u>	<u>132.155</u>
Profit of special items, net	<u>99.290</u>	<u>132.155</u>

3. Staff costs

Salaries and wages	431.871	448.627
Pension costs	55.215	53.016
Other costs for social security	3.408	3.408
Other staff costs	<u>2.302</u>	<u>2.170</u>
	<u>492.796</u>	<u>507.221</u>
Average number of employees	<u>1</u>	<u>1</u>

Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
4. Other payables		
Holiday pay obligations, salaried staff	<u>52.034</u>	<u>54.000</u>
	52.034	54.000
Share of amount due within 1 year	<u>0</u>	<u>0</u>
	<u>52.034</u>	<u>54.000</u>
Share of liabilities due after 5 years	<u>-52.034</u>	<u>-54.000</u>

5. Contingencies

Contingent liabilities

The company have made a rental agreement regarding premises. It has been agreed that the lease can be terminated with 6 months notice. As of 31.12.21 this gives an outstanding liability of 32 t.kr.