



MyBlueLabel ApS

Agern Alle 24
2970 Hørsholm

CVR no. 39341735

Annual Report 2019/2020

The annual report was presented and adopted at the company's annual general meeting 18. november 2020

Kenn Milton
Chair

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Company information

Company

MyBlueLabel ApS
Agern Alle 24
2970 Hørsholm

Phone:	31515103
Municipality of domicil:	Hørsholm
CVR no.	39341735
Reporting Period	1. juli 2019 - 30. juni 2020

Executive Board

Kenn Milton

Ownership

According to the Danish Financial Statements Act (årsregnskabsloven), the following owners and participants must be disclosed:

CANI-IT ApS

Bank

Danske Bank A/S

Auditor

Dansk Revision Hillerød
Godkendt Revisionsaktieselskab
Vølundsvej 6B
3400 Hillerød



Statement by the Executive Board

The Executive Board today considered and approved the annual report of MyBlueLabel ApS for the period 1. juli 2019 - 30. juni 2020.

The annual report, which has not been audited, was prepared in accordance with the Danish Financial Statements Act. The Executive Board finds that the conditions for preparing unaudited financial statements have been met.

In my opinion, the financial statements give a true and fair view of the company's financial position as at 30. juni 2020, and of its financial performance for the financial year 1. juli 2019 - 30. juni 2020.

In my opinion, the management's review gives a true and fair view of the matters dealt with in the review.

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

Rungsted, 13. november 2020

Executive Board:

Kenn Milton



The Auditor's report on compilation of financial statements

To the management of MyBlueLabel ApS

We have compiled the Financial Statements of MyBlueLabel ApS for the financial year 1. juli 2019 - 30. juni 2020 based on the Company's bookkeeping records and other information provided by you. The Financial Statements comprise accounting policies, income statement, balance sheet and notes.

We performed our work in accordance with ISRS 4410 Engagements to Compile Financial Statements.

We have applied our professional expertise to assist you in preparing and presenting the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Auditors Act and FSR – Danish auditors' ethical rules, including principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information used to compile the Financial Statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by you for the compilation of the financial statements. Consequently, we do not express an audit opinion or a review conclusion as to whether these Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

Hillerød, 13. november 2020

Dansk Revision Hillerød

Godkendt Revisionsaktieselskab, CVR-nr. 26580390

Dennis Mielcke
State Authorised Public Accountant
mne36030

Management's Review

Principal activities

MyBlueLabel offers an Electronic Quality Management Systems solution - an eQMS solution, setting new global standards. MBL supports Life Science organisations (pharma, MedTech and BioTech) and others – including consulting/support all the way, also ensuring the crucial EU Notified Body approval and alike.

Uncertainties in recognition and measurement and uncertainty regarding going concern

The Company is in a start-up phase and has initiated the commercialization of its quality management system. The first customers have been on boarded.

Until the activities are profitable the Company relies on continuous financial support from the owners. For that matter the Company has received letters of support from the owners that secures the necessary funds up until the next ordinary general assembly. This also includes funds for the Innobooster project with Innovationsfonden which will be carried out in 2020-2021.

Furthermore the Company's long term creditors has signed letters of subordination towards other creditors covering the same period.

Development in activities and financial affairs

During the financial year, MyBlueLabel gained a number of paying customers and attracted investments of 1 million DKK (134,000 €).

Most of the activities in the financial statements reflects intensive development activities, and at the end of the financial year, the activities within sales, marketing, branding, communication and production / delivery have increased significantly - thanks to talented and experienced people who are now affiliated with MyBlueLabel.

MyBlueLabel meets the compliance management needs of all MedTech companies when they sell or intend to sell their products on the European market in the future. MyBlueLabel can service many companies because the solution is scalable, replicable and digital - and sets new global standards. MyBlueLabel therefore has excellent conditions for growth. As a result of the EU's stricter compliance requirements, e.g. the new Medical Device Regulation (MDR) regulation which enters into force already in May 2021, and the scalability of the solution, MyBlueLabel has increased the number of people involved in the company significantly. Those involved include employees, developers and partners. Those involved have been carefully selected for the purpose of servicing both smaller companies and larger companies within Life Science - Pharma, BioTech and especially Medtech.

Events after the end of the financial year

On 5 October 2020, the Danish stateowned Innovation Fund approved MyBlueLabel for an Innobooster investment/grant of DKK 462,000. In addition to the important recognition and goodwill, the Innovation Fund thus contributes to the continued development of important activities of the IT solution. MBL's development activities include the development of an Enterprise Risk Management module and aims to strengthen the IT system's capabilities to serve Medtech customers in any regulatory aspect.



Management's Review

As a result of increased activity, the company has initiated global sales activities, especially in Europe and the USA. MyBlueLabel has specific plans to further expand its sales staff. MyBlueLabel has also been joined by experienced advisers, with knowledge/insights and commercial global network – key element to accelerate sales. MyBlueLabel's shareholders have already signed declarations and guarantees for capital injections that ensure continued operation, provisionally until the end of 2021, which is a relatively long secured time horizon for a start-up with global scale-up potential.

Expected financial developments

MyBlueLabel expects to grow exponentially while supporting our current customers. Our forecast for 2020 is 128.000 EUR in revenue. In 2021 we predict a revenue of 1.600.000 EUR, in 2022 a revenue of 8.000.000 EUR. At the end of 2023 we predict a revenue of 16.000.000 EUR.

We can maintain this high growth because there is a large unmet need, the IT solution is flexible and we have access to capacity for consulting services through partners and upscaling of the MBL team. In the longer term, MyBlueLabel will serve customers who operate within a broader area of work in the Life Science industry. During this growth, the focus is maintained on sustainable development, where MyBlueLabel contributes to society in the economic, social and environmental areas.

MyBlueLabel already collaborates with additional ordinary hubs, clusters and educational institutions. Thereby, MyBlueLabel contributes with education, information and knowledge sharing in the Danish and international startup environment. The collaboration includes the Danish Technical University (DTU), the scale-up hub Symbion, the Health Care hub COBIS and the Danish Medico Confederation (Medico Industrien).

		2019/20	2018/19
Note	Profit or loss statement	DKK	1.000 DKK
Reporting Period 1 July - 30 June			
	Gross Profit	-363.435	-857
1	Staff Cost	-169.430	0
	Depreciation, fixed assets	-213.589	0
	Profit or loss before financial income and expenses	-746.454	-857
2	Financial expenses	-6.185	-7
	Profit or loss before tax	-752.639	-864
3	Taxes	200.145	179
	Profit or loss for the year	-552.494	-685
Appropriation of net profit			
	Profit or loss for the year	-552.494	-685
	For appropriation	-552.494	-685

Note	Balance sheet	2019/20 DKK	2018/19 1.000 DKK
Assets as at 30 July			
4	Completed development projects	1.922.300	0
	Development projects in progress	0	1.612
	Intangible assets	1.922.300	1.612
	Deposits	9.000	0
	Financial assets	9.000	0
	Total fixed assets	1.931.300	1.612
	Receivable tax, group enterprises	449.510	450
	Other receivables	47.201	376
	Receivables, total	496.711	826
	Cash at bank and in hand	486.780	19
	Current assets, total	983.491	845
	Assets total	2.914.791	2.457

Note	Balance sheet	2019/20 DKK	2018/19 1.000 DKK
	Liabilities as at 30 July		
	Contributed capital	50.000	50
	Premium on issue	200.000	200
5	Reserve for development cost	1.499.395	1.257
	Retained profit	-2.736.849	-1.942
6	Equity, total	-987.454	-435
	Deferred tax	70.119	270
	Provisions	70.119	270
	Other long term debt	1.930.000	1.330
	Payables to group enterprises	1.647.237	1.116
	Long-term liabilities other than provisions, total	3.577.237	2.446
	Trade payables	15.000	25
	Payables to affiliated companies	151.778	151
	Other payables	88.111	0
	Short-term liabilities other than provisions, total	254.889	176
	Total liabilities	3.832.126	2.622
	Total liabilities and equity	2.914.791	2.457
7	Going concern		
8	Contingent Liabilities		
9	Securities and guarantees		

Notes	2019/20 DKK	2018/19 1.000 DKK
1 Staff cost		
Salary and wages	121.826	0
Pensions	38.400	0
Other social cost	5.396	0
Other staff cost	3.808	0
Staff cost, total	169.430	0
Average employees	1	0
2 Financial expenses		
Interest, group enterprises	4.765	6
Other financial expenses	1.420	1
Financial expenses, total	6.185	7
3 Taxes		
Actual tax for the year	0	-450
Deferred tax regulation	-200.145	271
Taxes, total	-200.145	-179
4 Finished development projects		
Additions	2.135.889	0
Cost at 30 June	2.135.889	0
Depreciations	-213.589	0
Depreciation 30 June	-213.589	0
Finished development projects, total	1.922.300	0
5 Reserve for development cost		
Reserve for development cost 1 July	1.257.380	0
Additions	242.015	1.257
Reserve for development cost, total	1.499.395	1.257

Notes

6	Equity	Contri- buted Capital	Premium on issue	Reserve for deve- lopment cost	Reatined profit	Total
		1.000 DKK	1.000 DKK	1.000 DKK	1.000 DKK	1.000 DKK
	Equity 1 July	50	200	0	-2.476	-2.226
	Change in accounting poli- cies	0	0	1.257	355	1.612
	Correction of material error	0	0	0	179	179
	Corrected Equity 1 July	50	200	1.257	-1.942	-435
	Addition	0	0	242	-242	0
	Profit or loss for the year	0	0	0	-552	-552
	Equity 30 June	50	200	1.499	-2.736	-987

7 Going concern

The Company is in a start-up phase and has initiated the commercialization of its quality management system. The first customers have been on boarded.

Until the activities are profitable the Company relies on continuous financial support from the owners. For that matter the Company has received letters of support from the owners that secures the necessary funds up until the next ordinary general assembly. This also includes funds for the Innobooster project with Innovationsfonden which will be carried out in 2020-2021.

Furthermore the Company's long term creditors has signed letters of subordination towards other creditors covering the same period.

On that basis Management has prepared the financial statements as going concern.

8 Contingent Liabilities

The company is severally and jointly liable together with the parent company CANI-IT ApS for company taxes and taxes on dividends and royalties in the joint taxation group. Payable taxes in the joint taxation group is disclosed in the parent company financial statements.

9 Securities and guarantees

None.

Accounting Policies

General

The annual report was prepared in accordance with the provisions of the Danish Financial Statements Act for reporting class B.

In addition, the Company has decided to observe certain provisions from higher reporting classes.

Changes in accounting policies

The accounting policies have been changed as follows:

The Company has changed its accounting policies as regards developments cost and these cost will be capitalized as development projects as an Intangible asset instead of being expensed immediately. The change has been implemented to give a more true and fair view of the Company's activities and management has assessed that recognition criteria has been met in order to carry the cost in the balance sheet.

The cumulative effect of the changes in accounting policies is a DKK 523,863 increase in income for the period. Tax for the year of the change in accounting policies is DKK 115,520, entailing that net income for the period after tax is increased by DKK 448,613. The balance sheet total is increased by DKK 310,274, while equity as at 1 July 2019 is increased by DKK 1,612k.

Except for these changes, the accounting policies are consistent with those applied last year.

Correction of material error

The Company has corrected an error regarding missing recognition of tax loss utilisation in the jopint taxation group with the Parent as well utilisation of losses under the tax credit scheme for development projects which has been applied for and granted concerning previous years.

The cumulated effect of this correction is a DKK 179,246 increase in income for the period. Equity as at 1 July 2019 is increased by DKK 179,246.

General principles for recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow 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 will flow out of the company and the value of the liability can be measured reliably.

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

Certain financial assets and liabilities are measured at amortised cost, implying the recognition of a constant effective interest rate to maturity. Amortised cost is determined as original cost less any repayments and with addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

Accounting Policies

In recognition and measurement, foreseeable losses and risks are taken into consideration when arising before the annual report is prepared and proving or disproving matters existing on the balance sheet date.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Also recognised are expenses incurred to generate the earnings for the year, including depreciation, amortisation, impairment losses and provisions, as well as reversals resulting from changes in accounting estimates of amounts previously recognised in the income statement.

Foreign currency translation

During the year, foreign currency transactions are translated at the exchange rates prevailing on the transaction date. Foreign currency receivables, payables and other items that have not been settled on the balance sheet date are translated at the exchange rates prevailing on the balance sheet date.

Realised and unrealised foreign currency translation adjustments are recognised in the income statement under net financials.

Financial instruments are not used to hedge the value expressed in Danish currency of balance sheet items in foreign currencies and future foreign currency transactions.

Income statement

Revenue

Revenue is recognised in the income statement if the delivery and passing of risk to the buyer have taken place before the end of the financial year. Revenue is recognised exclusive of VAT and less sales discounts.

Gross profit

Revenue less expenses for raw materials and consumables and other external expenses are aggregated in the item 'Gross profit'.

Other external expenses

Other external expenses include expenses relating to distribution, sale, advertising, administration, premises, bad debts, operating lease expenses etc.

Staff costs

Staff costs include wages and salaries and social security costs, pensions etc. for the company's staff.

Financial income and expenses

Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital gains and losses from foreign currency securities, payables and transactions, amortisation of mortgage loans and surcharges and allowances under the tax prepayment scheme etc.

Accounting Policies

Tax on net income or loss for the year

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

The company is subject to Danish regulations on compulsory joint taxation of the parent company. The parent company is the administration company in the joint taxation scheme and thus settles all income tax payments with the tax authorities.

For settlement of the joint tax contribution, the current Danish income tax is distributed between the jointly taxed companies in proportion to their taxable income. Under the joint taxation scheme, companies with tax losses receive joint tax contributions from companies that have been able to use these losses (full allocation).

Balance sheet

Intangible assets

Intangible assets are measured at cost less accumulated amortisation. Intangible assets are amortised on a straight-line basis over the estimated useful lives of the assets.

Estimated useful lives are included as follows:

Development projects	10 years
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Development projects include expenses, including wages and salaries and amortisation directly or indirectly attributable to the company's development activities and meeting the criteria for recognition. Development costs are measured at cost. Capitalised development costs are amortised on a straight-line basis after the completion of the development work over the useful lives of the assets.

Amortisation of development costs is based on the estimated useful lives of the assets and contractual periods of rights. Development costs that do not meet the criteria for recognition in the balance sheet are recognised in the income statement.

Receivables

Receivables are measured in the balance sheet at amortised cost, usually equivalent to nominal value. The value is reduced by write-downs for expected losses following an assessment of each receivable.

Cash

Includes cash balances.

Reserve for development cost

Reserve for development cost comprise recognised development cost. The reserve cannot be used for dividends or deficit coverage. The reserve is decreased or increased if the recognised development cost is depreciated or ceases to be part of the activities. This happens by transfer directly to retained profit.

Accounting Policies

Payables

Payables are measured at cost, equivalent to nominal value.

Tax payable and deferred tax

Current tax liabilities and tax receivable are measured in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on taxable for previous years and tax prepaid.

Deferred tax on temporary differences between the tax base of assets and liabilities and their carrying amounts is measured under the balance sheet liability method. Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the balance sheet date, will apply at the time the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognized in the income statement.

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Kenn Milton

Direktør

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