



MyBlueLabel Compliance Services A/S

Agern Alle 24
2970 Hørsholm

CVR-no. 39341735

Annual report 2021/2022

The annual report was presented and adopted at the company's annual general meeting 22 September 2022

Ulrik Bayer
Chair

Statement by the Executive Board

The board of directors and the executive Board today considered and approved the annual report of MyBlueLabel Compliance Services A/S for the period 1 July 2021 – 30 June 2022.

The annual report, is 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 as at 30 June 2022, and of its financial performance for the financial year 1 July 2021 – 30 June 2022.

In our 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, 22 September 2022

Executive Board:

Kenn Milton

Board:

Peter Mørch Eriksen
Chairman

Thomas Magnussen

Marie-Louise Little

Independent Auditor's report

To the Shareholders of MyBlueLabel Compliance Services A/S

Opinion

We have audited the financial statements of MyBlueLabel Compliance Services A/S for the financial year 1 July 2021 - 30 June 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. 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 Company's financial position at 30 June 2022, and of the results of the Company operations for the financial year 1 July 2021 - 30 June 2022 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.

Emphasis of Matter

We draw attention to note 6 of the financial statements in which management has described the company's capital resources for the coming year and factors related to the current strategy. Our opinion is not modified in respect of this matter.

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.

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

Independent Auditor's report

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 Acts. We did not identify any material misstatement of Management's Review.

Hillerød, 22 September 2022

Dansk Revision Hillerød

Godkendt Revisionsaktieselskab, CVR-nr. 26580390

Dennis Mielcke
Statsautoriseret revisor
mne36030

Revisionsdokument nr.: 30957-001166-BMBP8Z1ESNWA1E1C1K11D1M2Z11

Management's Review

Principal Activities

MyBlueLabel Compliance Services provide LegalTech for Life Science and other industries to ensure “Hard Law” EU and FDA Approvals. Furthermore, MyBlueLabel follow global recognized sustainable initiatives including membership of the UN Global Compact Network and develop services within Green Compliance. It is MyBlueLabel’s ambition to become the best eCompliance solution to support responsible, next generation companies in their pursuit to help millions of patients worldwide.

Comments related to going concern:

The company has already been at a break-even stage in November 2021; however, it is a strategic business decision to scale the current potential and striving to meet an even larger customer base. In this growth process of commercialization, an investment in sales (people) has been made. Due to these investments, it is not expected that the company will be profitable in the coming years as revenue will be reinvested into further growth. It is however possible to change strategy at any given time to focus on revenue instead of scale. Until then the company remains dependent on financial support from investors.

The company has secured funding for its current strategy that supports the operations until end of 2022. Management expects that the company will be able to attract further funding in Q3 and Q4 of 2022 to support the growth strategy in 2023 based on the current status and initial discussions with potential investors.

On this basis, the management presents the accounts for the company on the assumption of continued operations.

Development in activities and financial affairs:

Global-scale events have affected investor willingness. Nonetheless, MyBlueLabel Compliance Services (MBL) have in this financial year acquired funding that will support its continuous growth. Coupled with an increasing client revenue, MBL has good conditions for further growth. MBL added clients to the portfolio, increased income and got positive feedback from clients. The churn rate is close to zero only churned by startup companies which has closed down operations. MBL has invested in increasing the sales team and process expert resources, and is set up and ready to execute on the strategy.

Events after the end of the financial year:

The customer base has continued to grow after end of the financial year. Resources have been allocated to important activities such as Sales, Marketing, Branding, and Communication as well as delivery. MBL continues to focus on product development to increase customer satisfaction and competitiveness. A special thanks to our investors, employees, and partners for the work they put into our common cause of ensuring patient safety and quality for millions worldwide. We would also like to reiterate our appreciation to the state-owned Innovation fund for financial contributions.

Expected financial developments

MBL has initiated its growth strategy and will continue to on-board customers and employees. High revenue growth is possible because there are large unmet needs, the MBLs digital services are flexible, scalable, and replicable. We plan further upscaling of the MBL team and development of partnerships. Our solutions and the team behind it can operate across all the compliance areas in Life Science and other industries and support the green compliance initiative, helping companies to reduce time to market and reduce compliance costs. Furthermore, MBL has started to operate across industries where mega-trends within “hard law” like GDPR and “soft law to hard low” like Green Compliance.

		2021/22	2020/21
Note	Balance Sheet	DKK	1.000 DKK
	Assets as at 30 June		
4	Completed development projects	2.906.987	2.533
	Intangible assets	2.906.987	2.533
	Deposits	9.377	9
	Financial assets	9.377	9
	Total fixed assets	2.916.364	2.542
	Trade receivables	217.594	7
	Receivable tax, group enterprises	251.988	252
	Tax receivable	367.525	202
	Other receivables	7.592	1
	Prepayments	1.875	1
	Receivables, total	846.574	463
	Cash at bank and in hand	1.066.726	307
	Current assets, total	1.913.300	770
	Assets total	4.829.664	3.312

		2021/22	2020/21
Note	Balance Sheet	DKK	1.000 DKK
	Liabilities as at 30 June		
	Contributed capital	430.565	56
	Premium on issue	6.319.782	1.194
5	Reserve for development cost	2.267.450	1.976
	Retained profit	-5.146.070	-3.567
	Equity, total	3.871.727	-341
	Deferred tax	113.416	346
	Provisions	113.416	346
	Other long term debt	0	1.330
	Payables to group enterprises	103.341	1.425
	Long-term liabilities other than provisions, total	103.341	2.755
	Trade payables	235.006	206
	Payables to affiliated companies	154.063	153
	Other payables	271.846	193
	Prepayments from customers	80.265	0
	Short-term liabilities other than provisions, total	741.180	552
	Total liabilities	844.521	3.307
	Total liabilities and equity	4.829.664	3.312
6	Going concern		
7	Contingent Liabilities		
8	Securities and guarantees		

	2021/22	2020/21
Notes	DKK	1.000 DKK

7 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.

8 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.

The financial statements have been prepared according to the same accounting policies as last year.

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.

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.

Accounting Policies

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.

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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Accounting Policies

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.

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 recognised in the income statement.

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Kenn Milton (CPR valideret)

Direktør

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Bestyrelsesmedlem

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Mit  

Marie-Louise Little

Bestyrelsesmedlem

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Mit  

Dennis Martin Torkenholdt Mielcke

Statsautoriseret revisor

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Ernst Ulrik Bayer

Dirigent

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