



MyBlueLabel Compliance Services ApS

**Agern Alle 24
2970 Hørsholm**

CVR-no. 39341735

Annual report 2020/2021

The annual report was presented and adopted at the company's annual general meeting 19. October 2021

Kenn Milton
Chair

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Company information

Company

MyBlueLabel Compliance Services ApS
Agern Alle 24
2970 Hørsholm

| | |
|--------------------------|------------------------------|
| Phone: | 31515103 |
| Municipality of domicil: | Hørsholm |
| CVR no. | 39341735 |
| Reporting Period | 1. juli 2020 - 30. juni 2021 |

Executive Board

Kenn Milton

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 Compliance Services ApS for the period 1. juli 2020 - 30. juni 2021.

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 2021, and of its financial performance for the financial year 1. juli 2020 - 30. juni 2021.

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, 19. oktober 2021

Executive Board:

Kenn Milton

The Auditors report on compilation of financial statements

To the management of MyBlueLabel Compliance Services ApS

We have compiled the Financial Statements of MyBlueLabel Compliance Services ApS for the financial year 1. juli 2020 - 30. juni 2021 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, 19. oktober 2021

Dansk Revision Hillerød

Godkendt Revisionsaktieselskab, CVR-nr. 26580390

Dennis Mielcke
State Authorised Public Accountant
mne36030

Management's Review

Principal Activities

MyBlueLabel offers Compliance Services – including eCompliance Solutions, setting new Global Standards. MBL supports Life Science organizations (Pharma, MedTech and BioTech) and companies in other industries and support the green compliance initiative. An example is compliance services / support all the way, to ensure “hard law” EU approvals.

Comments related to uncertainties about recognition and measurement, including going concern:

The company is still in a start-up phase and in the scaleup process of commercializing the investment in developed compliance services.

Until the operation becomes profitable, the company remains dependent on financial support from the owners. The company has obtained statements of support from the owners that ensure the company the necessary liquidity until the next annual general meeting in 2022.

At the same time, resignation declarations have been issued regarding the company's long-term debt to other creditors in the same period.

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

Development in activities and financial affairs:

Despite the pandemic, the financial year 2020/21 gave significant progress for MyBlueLabel Compliance Service (MBL). 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's shareholders have already signed declarations and guarantees for capital injections that ensure continued operation, provisionally until the end of 2022. This is supplemented with increasing sale revenue as we are nearing break-even. The 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. The aim is to set new global standards within compliance – a special thanks to the state-owned Innovation fund for financial contributions and recognition. Finally, MBL has signed up to follow the 10 principles under the UN Global Compact as we continue to bring innovative products to the market while growing our company sustainably.

Expected financial developments

MBL is close to break-even on existing business – and ready for significant growth.

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, there is a potential to operate across industries where mega-trends within “hard law” like GDPR and “soft law” like Green Compliance.

| Note | Profit or loss statement | 2020/21 | 2019/20 |
|--|--|-----------------|-------------|
| | | DKK | 1.000 DKK |
| Reporting Period 1 July - 30 June | | | |
| | Gross Profit | 469.278 | -364 |
| 1 | Staff Cost | -676.506 | -169 |
| | Depreciation, fixed assets | -305.233 | -214 |
| | Profit or loss before financial income and expenses | -512.461 | -747 |
| 2 | Financial expenses | -18.767 | -6 |
| | Profit or loss before tax | -531.228 | -753 |
| 3 | Taxes | 177.586 | 200 |
| | Profit or loss for the year | -353.642 | -553 |
| Appropriation of net profit | | | |
| | Profit or loss for the year | -353.642 | -553 |
| | For appropriation | -353.642 | -553 |

| Note | Balance Sheet | 2020/21 | 2019/20 |
|-----------------------------|-----------------------------------|------------------|--------------|
| | | DKK | 1.000 DKK |
| Assets as at 30 July | | | |
| 4 | Completed development projects | 2.533.508 | 1.922 |
| | Intangible assets | 2.533.508 | 1.922 |
| | Deposits | 9.000 | 9 |
| | Financial assets | 9.000 | 9 |
| | Total fixed assets | 2.542.508 | 1.931 |
| | Receivables from sale | 7.400 | 0 |
| | Receivable tax, group enterprises | 251.988 | 450 |
| | Tax receivables | 201.617 | 0 |
| | Other receivables | 1.055 | 47 |
| | Prepayments | 1.108 | 0 |
| | Receivables, total | 463.168 | 497 |
| | Cash at bank and in hand | 306.668 | 487 |
| | Current assets, total | 769.836 | 984 |
| | Assets total | 3.312.344 | 2.915 |

| Note | Balance sheet | 2020/21 | 2019/20 |
|------|--|------------------|--------------|
| | | DKK | 1.000 DKK |
| | Liabilities as at 30 July | | |
| | Contributed capital | 55.556 | 50 |
| | Premium on issue | 1.194.444 | 200 |
| 5 | Reserve for development cost | 1.976.136 | 1.499 |
| | Retained profit | -3.567.232 | -2.736 |
| | Equity, total | -341.096 | -987 |
| | Deferred tax | 346.138 | 70 |
| | Provisions | 346.138 | 70 |
| | Other long term debt | 1.330.000 | 1.930 |
| | Payables to group enterprises | 1.425.341 | 1.647 |
| | Long-term liabilities other than provisions, total | 2.755.341 | 3.577 |
| | Trade payables | 206.386 | 15 |
| | Payables to affiliated companies | 152.916 | 152 |
| | Other payables | 192.659 | 88 |
| | Short-term liabilities other than provisions, total | 551.961 | 255 |
| | Total liabilities | 3.307.302 | 3.832 |
| | Total liabilities and equity | 3.312.344 | 2.915 |
| 6 | Going concern | | |
| 7 | Contingent Liabilities | | |
| 8 | Securities and guarantees | | |

Equity

| Equity | Contri- buted Capital | Premium on issue | Reserve for deve- lopment cost | Retained Profit | Total |
|-----------------------------|-----------------------------|---------------------|---|--------------------|-------------|
| | 1.000 DKK | 1.000 DKK | 1.000 DKK | 1.000 DKK | 1.000 DKK |
| Equity 1 July | 50 | 200 | 1.499 | -2.736 | -987 |
| Capital increase | 6 | 0 | 0 | 0 | 6 |
| Capital increase | 0 | 994 | 0 | 0 | 994 |
| Addition | 0 | 0 | 477 | -477 | 0 |
| Profit or loss for the year | 0 | 0 | 0 | -354 | -354 |
| Equity 30 june | 56 | 1.194 | 1.976 | -3.567 | -341 |

Notes

| | | | |
|----------|---|------------------|--------------|
| 1 | Staff cost | | |
| | Salary and wages | 601.474 | 122 |
| | Pensions | 50.235 | 38 |
| | Other social cost | 21.171 | 5 |
| | Other staff cost | 3.626 | 4 |
| | Staff cost, total | 676.506 | 169 |
| | Average employees | 3 | 1 |
| 2 | Financial expenses | | |
| | Interest, group enterprises | 13.493 | 5 |
| | Other financial expenses | 5.274 | 1 |
| | Financial expenses, total | 18.767 | 6 |
| 3 | Taxes | | |
| | Actual tax for the year | -202.761 | 0 |
| | Deferred tax regulation | 276.019 | -200 |
| | Tax, adjustment previous year | -250.844 | 0 |
| | Skat af årets resultat i alt | -177.586 | -200 |
| 4 | Finished development projects | | |
| | Kostpris 1. juli | 2.135.889 | 0 |
| | Additions | 916.441 | 2.136 |
| | Cost at 30 June | 3.052.330 | 2.136 |
| | Af- og nedskrivninger 1. juli | -213.589 | 0 |
| | Depreciations | -305.233 | -214 |
| | Depreciation 30 June | -518.822 | -214 |
| | Finished development projects, total | 2.533.508 | 1.922 |

Finished development projects consist of an Electronic Quality Management Systems solution - an eQMS solution, setting new global standards.

Notes

5 Reserve for development cost

| | | |
|--|------------------|--------------|
| Reserve for development cost 1 July | 1.499.395 | 1.257 |
| Additions | 476.741 | 242 |
| Reserve for development cost, total | 1.976.136 | 1.499 |

6 Going concern

The company has begun its Commercialization of its Quality Management System and related services. Customers are continuously on-boarded to the solution, where some of them have completed a subscription payment cycle.

As the company is nearing break-even it is still important to maintain liquidity - there will be 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

Furthermore the Company's long term creditors has signed letters of subordination towards other creditors covering 2021-2022.

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

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 accounting policies are consistent with those applied 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 |
|----------------------|----------|

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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“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Kenn Milton

Direktør

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NEM ID 

Dennis Mielcke

Statsautoriseret revisor

På vegne af: Dansk Revision Hillerød

Serienummer: CVR:26580390-RID:16129845

IP: 165.225.xxx.xxx

2021-10-20 13:03:33 UTC

NEM ID 

Kenn Milton

Dirigent

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