



Sønderjyllands Revision
Statsautoriseret revisionsaktieselskab

Nørreport 3 · 6200 Aabenraa
Tlf. 74 62 61 12 · Fax 74 62 95 20

Torvegade 6 · 6330 Padborg
Tlf. 74 67 20 21 · Fax 74 67 22 15

Jyllandsgade 28 · 6400 Sønderborg
Tlf. 74 43 77 00 · Fax 73 42 09 98

kontakt@sr.dk · www.sr.dk

Stoddard ApS

Møllegade 32, 8000 Aarhus C

Company reg. no. 40 19 83 85

Annual report

1 September 2019 - 31 August 2020

The annual report was submitted and approved by the general meeting on the 16 November 2020.

Mario Præstholt Riewerts
Chairman of the meeting

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 %.

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report	2
Management commentary	
Company information	5
Management commentary	6
Financial statements 1 September 2019 - 31 August 2020	
Accounting policies	7
Income statement	10
Statement of financial position	11
Notes	13

Management's report

The executive board has today presented the annual report of Stoddard ApS for the financial year 1 September 2019 to 31 August 2020.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 August 2020 and of the company's results of its activities in the financial year 1 September 2019 to 31 August 2020.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

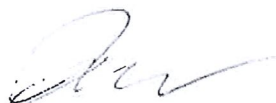
We recommend that the annual report be approved by the general meeting.

Aarhus C, 13 November 2020

Executive board



Michael John Stoddard



René Lundgaard Madsen

Independent auditor's report

To the shareholder of Stoddard ApS

Opinion

We have audited the annual accounts of Stoddard ApS for the financial year 1 September 2019 to 31 August 2020, which comprise accounting policies, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 August 2020 and of the results of the company's operations for the financial year 1 September 2019 to 31 August 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Independent auditor's report

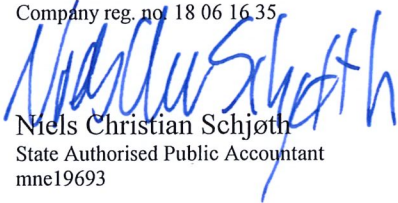
Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not find any material misstatement in the management's review.

Sønderborg, 13 November 2020

Sønderjyllands Revision

State Authorised Public Accountants
Company reg. no. 18 06 16 35


Niels Christian Schjøth
State Authorised Public Accountant
mne19693

Company information

The company

Stoddard ApS
Møllegade 32
8000 Aarhus C

Company reg. no. 40 19 83 85
Established: 23 January 2019
Domicile: Aarhus
Financial year: 1 September 2019 - 31 August 2020
2nd financial year

Executive board

Michael John Stoddard
René Lundgaard Madsen

Auditors

Sønderjyllands Revision, Statsautoriseret revisionsaktieselskab
Jyllandsgade 28
6400 Sønderborg

Bankers

Nordea Bank

Lawyer

Bech Bruun

Parent company

Stoddard Manufacturing Company Limited

Management commentary

The principal activities of the company

The principal activities of the company are sales- and agent business in the dental industry.

Development in activities and financial matters

The gross profit for the year is DKK 597.150 against t.DKK 352 last year. The results from ordinary activities after tax are DKK -111.322 against t.DKK -80 last year.

Due to the company's negative equity, DKK -141.018, the company has lost more than half of the registered capital. In terms of the Danish Companies Act § 119, the management must consider the current financial situation and decide on necessary measures to restore the financial situation.

It's the management's opinion that the company will restore its financial situation through future earnings. The management sees no risk in terms of going concern based on the defined objectives and primarily tasks of the company. The company is providing representative services for the parent company, Stoddard Manufacturing Company Ltd., and all costs and obligations of Stoddard ApS will be held by the parent company on a monthly basis.

The outbreak of the Corona virus (COVID-19) has entailed new challenges and risks for the company. The activities and turnover of the parent company and subsequently Stoddard ApS, suffered a significant decline during Q2 of 2020 and at the beginning of Q3 of 2020. Since the second half of Q3 of 2020, the company's business has been growing again and is expected to normalize within months, depending on how the global COVID-19 situation is developing. The outbreak has also entailed uncertainty and instability in terms of political- and socially matter. Political- and financial decisions have brought in financial risks concerning the company and at the same time limited the company's trading opportunities.

In addition to COVID-19, the upcoming ratification in terms of BREXIT, and whether an agreement between the EU and UK will be achieved, has contributed to uncertainties regarding the company's future business conditions. Together with an UK based logistic company, Stoddard Manufacturing Company Ltd. has developed a solution, which allows business with EU-based customers to continue post BREXIT in case of a no-deal BREXIT. The management is confident, that with the steps taken, BREXIT, with or without an agreement, will have none or almost none negative impact on the capability to continue growth and hence to ensure the stability of Stoddard ApS.

However, should either the development of the COVID-19 pandemic or BREXIT temporary challenge Stoddard ApS' capabilities to generate earnings, the parent company will secure the going concern of Stoddard ApS by adding necessary funds to the company.

Accounting policies

The annual report for Stoddard ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (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 concern matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

Accounting policies

Income statement

Gross profit

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

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Other operating income comprises accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Net financials

Net financials comprise interest and realised and unrealised capital gains and losses concerning financial assets and liabilities. Financial income and expenses are recognised in the profit and loss account with the amounts that concern the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

Accounting policies

The balance sheet

Financial fixed assets

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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

Income statement

Amounts concerning 2019/20: DKK.

Amounts concerning 2018/19: DKK thousand.

<u>Note</u>	1/9 2019 - 31/8 2020	23/1 2019 - 31/8 2019
Gross profit	597.150	352
2 Staff costs	-704.474	-429
Operating profit	-107.324	-77
Other financial income	98	0
Other financial costs	-4.096	-3
Pre-tax net profit or loss	-111.322	-80
Tax on ordinary results	0	0
Net profit or loss for the year	-111.322	-80
Proposed appropriation of net profit:		
Allocated from retained earnings	-111.322	-80
Total allocations and transfers	-111.322	-80

Statement of financial position at 31 August

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Assets		
Non-current assets		
Deposits	0	36
Total investments	0	36
Total non-current assets	0	36
Current assets		
Receivables from group enterprises	74.472	75
Other debtors	40.115	2
Total receivables	114.587	77
Total current assets	114.587	77
Total assets	114.587	113

Statement of financial position at 31 August

Amounts concerning 2020: DKK.

Amounts concerning 2019: DKK thousand.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Equity and liabilities		
Equity		
Contributed capital	50.000	50
Results brought forward	-191.018	-80
Total equity	-141.018	-30
Liabilities other than provisions		
3 Other payables	85.830	0
Total long term liabilities other than provisions	85.830	0
Bank debts	15.977	49
Trade creditors	5.186	3
Other debts	148.612	91
Total short term liabilities other than provisions	169.775	143
Total liabilities other than provisions	255.605	143
Total equity and liabilities	114.587	113
1 Special items		
4 Contingencies		

Notes

Amounts concerning 2019/20: DKK.

Amounts concerning 2018/19: DKK thousand.

1. Special items

As mentioned in the management commentary, the development in the period regarding these financial statements, has been affected by the outbreak of Corona virus (COVID-19). Because of this outbreak, the year has been affected by a number of factors that differ from what is considered by management to be part of operating activities.

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

	1/9 2019 - 31/8 2020	23/1 2019 - 31/8 2019
Income:		
Compensation due to COVID-19	170.833	0
	<u>170.833</u>	<u>0</u>
Special items are recognised in the following items in the financial statements:		
Other operating income	170.833	0
Profit of special items, net	<u>170.833</u>	<u>0</u>

2. Staff costs

Salaries and wages	651.440	399
Pension costs	48.000	28
Other costs for social security	5.034	2
	<u>704.474</u>	<u>429</u>
Average number of employees	<u>1</u>	<u>1</u>
	31/8 2020	31/8 2019

3. Other payables

Total other payables	85.830	0
Share of amount due within 1 year	<u>0</u>	<u>0</u>
Total other payables	<u>85.830</u>	<u>0</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>

Notes

Amounts concerning 2019/20: DKK.

Amounts concerning 2018/19: DKK thousand.

4. Contingencies

Contingent liabilities

Leasing liabilities

The company has entered into leasing contracts with an average annual leasing payment of 63 t.DKK. The leasing contracts have 19 months left to run, and the total outstanding leasing payment is 100 t.DKK.