

# **Medten EU ApS**

**Oldenvej 33, 3490 Kvistgård**

**Annual report for the period  
1 July 2022 to 31 December 2023**

**CVR no. 43 37 50 16**

Adopted at the annual general meeting on 18 June 2024

chairman: Andres Agustin Orjuela

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## Statement by management on the annual report

The executive board has today discussed and approved the annual report of Medten EU ApS for the financial year 1 July 2022 - 31 December 2023.

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 at 31 December 2023 and of the results of the company's operations for the financial year 1 July 2022 - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.

Helsingør, 18 June 2024

### Executive board

Liming Xue  
Director

Andres Agustin Orjuela  
Director

## Auditor's report on compilation of the financial statements

### *To the shareholder of Medten EU ApS*

We have compiled the financial statements of Medten EU ApS for the financial year 1 July 2022 - 31 December 2023 based on the company's bookkeeping records and other information made available by enterprise.

The financial statements comprises a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We performed the engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist the enterprise in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We complied with the relevant provisions of the Danish Act on Approved Auditors and with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), including principles relating to 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 the enterprise's responsibility.

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

Copenhagen, 18 June 2024

Ecovis Danmark  
statsautoriseret revisionsinteressentskab  
CVR no. 28 93 95 23

Jerrik Olsen  
Statsautoriseret revisor  
mne46584

## Company details

### The company

Medten EU ApS  
Oldenvej 33  
3490 Kvistgård

CVR no.: 43 37 50 16

Reporting period: 1 July 2022 - 31 December 2023

Domicile: Helsingør

### Executive board

Liming Xue, director  
Andres Agustin Orjuela, director

## Management's review

### Business review

The company's purpose is sale of medical equipment and any related business at the discretion of the management.

### Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of DKK 1.256.269, and the balance sheet at 31 December 2023 shows negative equity of DKK 1.216.269.

The loss for the company's first financial year, covering 1 July 2022 - 31 December 2023, includes significant start-up costs, which are non-recurring.

Setting up a large-scale marketing and sales office and distribution center in Europe is not an enterprise where short term profitability is expected. With our experience in following a similar business plan in the US market, the management expect (and have planned for) at least 3 years of losses before reaching the point of profitability through increased sales.

Based on the current Medten EU ApS business plan and the progress we have made over the last 16 months the management team feels confident that our company will remain viable over the next 12 months.

Even with some unexpected challenges during this first economic year our operation has remained steady and our growth has been continuous.

Within 5 years we expect Medten EU ApS to be a firmly established and well respected company within the European Medical Equipment community bringing increased economic benefit to the Danish society that has so kindly embraced us.

### *Financing*

Medten EU ApS will have a stable and healthy cash flow during the next 12 months due to the fact that our operational costs will remain constant while the influx of cash will increase due to growing sales in 2024.

A capital loan is available from the owners in case extra capital is needed to maintain the necessary cash flow for regular operations. Additionally, Medten EU ApS benefits from favorable payment terms on products purchased from its primary supplier.

### Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

## Income statement 1 July - 31 December

	<u>Note</u>	<u>2022/2023</u> DKK
<b>Gross profit</b>		<b>-568.382</b>
Staff costs	2	<u>-681.735</u>
<b>Profit/loss before amortisation/depreciation and impairment losses</b>		<b>-1.250.117</b>
Depreciation, amortisation and impairment of property, plant and equipment		<u>-13.184</u>
<b>Profit/loss before net financials</b>		<b>-1.263.301</b>
Financial income		7.174
Financial costs		<u>-142</u>
<b>Profit/loss for the year</b>		<b><u>-1.256.269</u></b>
Retained earnings		<u>-1.256.269</u>
		<b><u>-1.256.269</u></b>

## Balance sheet 31 December

	<u>Note</u>	<u>2022/23</u> DKK
<b>Assets</b>		
Other fixtures and fittings, tools and equipment		<u>56.947</u>
<b>Tangible assets</b>		<u><b>56.947</b></u>
<b>Total non-current assets</b>		<u><b>56.947</b></u>
Finished goods and goods for resale		<u>1.181.109</u>
<b>Stocks</b>		<u><b>1.181.109</b></u>
Trade receivables		29.409
Other receivables		<u>52.996</u>
<b>Receivables</b>		<u><b>82.405</b></u>
<b>Cash at bank and in hand</b>		<u><b>689.273</b></u>
<b>Total current assets</b>		<u><b>1.952.787</b></u>
<b>Total assets</b>		<u><b>2.009.734</b></u>



## Balance sheet 31 December

	<u>Note</u>	<u>2022/23</u> DKK
<b>Equity and liabilities</b>		
Share capital		40.000
Retained earnings		-1.256.269
<b>Equity</b>		<b>-1.216.269</b>
Trade payables		1.731.077
Payables to shareholders and management		1.422.748
Other payables		72.178
<b>Total current liabilities</b>		<b>3.226.003</b>
<b>Total liabilities</b>		<b>3.226.003</b>
<b>Total equity and liabilities</b>		<b>2.009.734</b>

## Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 July 2022	40.000	0	40.000
Net profit/loss for the year	0	-1.256.269	-1.256.269
<b>Equity at 31 December 2023</b>	<b>40.000</b>	<b>-1.256.269</b>	<b>-1.216.269</b>

## Notes

### 1 Going concern

The company has lost its capital, and the company's continued operations depend on ongoing credit from creditors and continued support from the ownership circle.

Based on the current Medten EU ApS business plan and the progress the company have made over the last 16 months the management team feels confident that our company will remain viable over the next 12 months.

Medten EU ApS will have a stable and healthy cash flow during the next 12 months due to the fact that our operational costs will remain constant while the influx of cash will increase due to growing sales in 2024.

A capital loan is available from the owners in case extra capital is needed to maintain the necessary cash flow for regular operations. Additionally, Medten EU ApS benefits from favorable payment terms on products purchased from its primary supplier. Thus, the annual accounts has been prepared on a going concern basis.

	2022/2023
	DKK
<b>2 Staff costs</b>	
Wages and salaries	667.152
Other social security costs	5.032
Other staff costs	9.551
	<u>681.735</u>
Number of fulltime employees on average	<u>2</u>
<b>3 Provision for deferred tax</b>	
<b>Deferred tax asset</b>	
Calculated tax asset	272.678
Write down to assessed value	<u>-272.678</u>
<b>Carrying amount</b>	<u>0</u>

Management has decided not to capitalize tax assets due to uncertainty regarding the company's ability to utilize the tax loss.

## Accounting policies

The annual report of Medten EU ApS for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as provisions applying to reporting class C entities.

The annual report for 2022/23 is presented in DKK

As 2022/23 is the company's first reporting period, no comparatives have been presented.

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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 from the company and the value of the liability can be measured reliably.

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

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

### Income statement

#### Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, costs of sales and other external expenses.

#### Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

## Accounting policies

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

### Cost of sales

Costs of sales include the raw materials and consumables used in generating the year's revenue.

### Other external expenses

Other external expenses include expenses related to sale, advertising, administration, premises, etc.

### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

### Depreciation, amortisation and impairment of property, plant and equipment

Depreciation, amortisation and impairment of property, plant and equipment comprise the year's depreciation, amortisation and impairment of property, plant and equipment.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and foreign currency transactions etc.

### Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

### Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

## Accounting policies

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

		<b>Residual value</b>
Other fixtures and fittings, tools and equipment	5 years	0 %

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

### Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale comprises the purchase price.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

### Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

### Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

## Accounting policies

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

### Liabilities

Liabilities, which include trade payables, payables to shareholders and management and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

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"By my signature I confirm all dates and content in this document."

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## Andres Agustin Orjuela

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