

Arpedio Solutions ApS

Birkedommervej 27, 2400 København NV

CVR no. 34 21 95 91

Annual report 2021

Approved at the Company's annual general meeting on 10 May 2022

Chair of the meeting:

.....
Ulrik Monberg

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Arpedio Solutions ApS for the financial year 1 January - 31 December 2021.

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 financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 10 May 2022
Executive Board:

.....
Ulrik Monberg

Board of Directors:

.....
Torben Frigaard Rasmussen
Chair

.....
Ulrik Monberg

Independent auditor's report

To the shareholders of Arpedio Solutions ApS

Opinion

We have audited the financial statements of Arpedio Solutions ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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.

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 as to 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 or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive 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 for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of 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.

Independent auditor's report

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 financial statements 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 financial statements, including the note disclosures, and whether the financial statements represent 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 internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, 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 conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Odense, 10 May 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid
State Authorised Public Accountant
mne31450

Management's review

Company details

Name	Arpedio Solutions ApS
Address, Postal code, City	Birkedommervej 27, 2400 København NV
CVR no.	34 21 95 91
Established	31 January 2012
Registered office	København
Financial year	1 January - 31 December
Board of Directors	Torben Frigaard Rasmussen, Chair Ulrik Monberg
Executive Board	Ulrik Monberg
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

Management's review

Business review

The company's activity consists in the development of software and related services.

Financial review

The income statement for 2021 shows a loss of DKK 10,758,946 against a loss of DKK 3,082,038 last year, and the balance sheet at 31 December 2021 shows a negative equity of DKK 6,819,496.

The company has lost equity and is familiar with the rules in the Danish Financial Statement Act. The company did invest more in market initiatives in 2021 than expected in budget 2021 as new market opportunities arose as part of the new product development. These investments are the primary reason behind the loss created in 2021. The company expects that future results will reestablish the equity.

Based on the budget 2022 the company expects to be in a position that there will be sufficient cash to pay debts when they are due. This expectation is based on two cash capital increases in end of 2021 and early in 2022 and the expectations of increased revenue.

As per end of March 2022 the company reached revenue as expected in the budget and earnings above budget.

Events after the balance sheet date

In January 2022 the company got new owners and received a total of DKK 900K. DKK through capital increase.

No events other than the above has had materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2021	2020
	Gross loss	-3,192,908	-94,776
3	Staff costs	-9,845,208	-5,320,169
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-232,519	-557,460
	Profit/loss before net financials	-13,270,635	-5,972,405
	Income from investments in group enterprises	2,820,502	2,749,774
	Financial income	212	105,706
	Financial expenses	-537,727	-136,322
	Profit/loss before tax	-10,987,648	-3,253,247
4	Tax for the year	228,702	171,209
	Profit/loss for the year	-10,758,946	-3,082,038
	Recommended appropriation of profit/loss		
	Net revaluation reserve according to the equity method	2,810,962	2,645,568
	Other statutory reserves	2,424,697	-317,272
	Retained earnings/accumulated loss	-15,994,605	-5,410,334
		-10,758,946	-3,082,038

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2021	2020
	ASSETS		
	Fixed assets		
5	Intangible assets		
	Completed development projects	3,478,084	997,019
		<u>3,478,084</u>	<u>997,019</u>
6	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	68,884	40,604
		<u>68,884</u>	<u>40,604</u>
7	Investments		
	Investments in group enterprises	7,745,131	4,915,179
	Deposits, investments	417,000	282,197
		<u>8,162,131</u>	<u>5,197,376</u>
	Total fixed assets	<u>11,709,099</u>	<u>6,234,999</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	411,800	586,298
	Receivables from group enterprises	57,792	832,288
	Corporation tax receivable	0	337,307
	Other receivables	308,175	497,890
	Contributed capital in arrears and premium	2,500,000	0
	Prepayments	110,691	0
		<u>3,388,458</u>	<u>2,253,783</u>
	Cash	<u>177,693</u>	<u>1,597,578</u>
	Total non-fixed assets	<u>3,566,151</u>	<u>3,851,361</u>
	TOTAL ASSETS	<u>15,275,250</u>	<u>10,086,360</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
	Contributed capital	320,077	251,490
	Share premium account	0	0
	Net revaluation reserve according to the equity method	6,738,050	3,927,088
	Reserve for development costs	2,712,906	288,209
	Retained earnings	-16,590,529	-6,527,337
	Total equity	-6,819,496	-2,060,550
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Other credit institutions	6,432,629	6,000,000
	Payables to shareholders and Management	141,413	354,808
	Other payables	407,683	407,683
		6,981,725	6,762,491
	Current liabilities other than provisions		
	Bank debt	933,427	0
	Trade payables	1,405,300	236,104
	Payables to group enterprises	10,060,913	3,693,508
	Payables to shareholders and management	1,678	2,678
	Other payables	2,007,736	1,092,196
	Deferred income	703,967	359,933
		15,113,021	5,384,419
	Total liabilities other than provisions	22,094,746	12,146,910
	TOTAL EQUITY AND LIABILITIES	15,275,250	10,086,360

- 1 Accounting policies
- 2 Going concern uncertainties
- 8 Contractual obligations and contingencies, etc.
- 9 Contingent assets
- 10 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Contributed capital	Share premium account	Net revaluation reserve according to the equity method	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2020	228,626	0	1,281,520	605,481	-3,094,140	-978,513
Capital increase	22,864	0	0	0	1,977,137	2,000,001
Transfer through appropriation of loss	0	0	2,645,568	-317,272	-5,410,334	-3,082,038
Equity at 1 January 2021	251,490	0	3,927,088	288,209	-6,527,337	-2,060,550
Capital increase	68,587	5,931,413	0	0	0	6,000,000
Transfer through appropriation of loss	0	0	2,810,962	2,424,697	-15,994,605	-10,758,946
Transferred from share premium account	0	-5,931,413	0	0	5,931,413	0
Equity at 31 December 2021	320,077	0	6,738,050	2,712,906	-16,590,529	-6,819,496

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Arpedio Solutions ApS for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Revenue

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross loss

The items revenue, other operating income and external expenses have been aggregated into one item in the income statement called gross loss in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Profit from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Tax

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Completed development projects are amortised on a straight-line basis using their estimated useful lives of the assets. The amortisation period is 3 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Going concern uncertainties

The company has lost equity and is familiar with the rules in the Danish Financial Statement Act. The company did invest more in market initiatives in 2021 than expected in budget 2021 as new market opportunities arose as part of the new product development. These investments are the primary reason behind the loss created in 2021. The company expects that future results will reestablish the equity.

Based on the budget 2022 the company expects to be in a position that there will be sufficient cash to pay debts when they are due. This expectation is based on two cash capital increases at the end of 2021 and early 2022 and the expectations of increased revenue.

As per end of March 2022 the company reached revenue as expected in the budget and earnings above budget.

The company will continue to invest in product and go to market activities as the potential outlook to capture more market share is eminent.

DKK	2021	2020
3 Staff costs		
Wages/salaries	8,938,675	5,107,160
Pensions	579,894	0
Other social security costs	144,214	65,475
Other staff costs	182,425	147,534
	<u>9,845,208</u>	<u>5,320,169</u>
 Average number of full-time employees	 <u>19</u>	 <u>11</u>
 4 Tax for the year		
Estimated tax charge for the year	-228,702	-171,209
	<u>-228,702</u>	<u>-171,209</u>

5 Intangible assets

DKK	Completed development projects
Cost at 1 January 2021	6,238,729
Additions	2,699,863
Cost at 31 December 2021	<u>8,938,592</u>
Impairment losses and amortisation at 1 January 2021	5,241,710
Amortisation for the year	218,798
Impairment losses and amortisation at 31 December 2021	<u>5,460,508</u>
Carrying amount at 31 December 2021	<u>3,478,084</u>
 Amortised over	 <u>3 years</u>

Based on the current development projects the company expects a significant increase in activities the coming years.

Management has not identified any evidence of impairment relative to the carrying amount.

Financial statements 1 January - 31 December

Notes to the financial statements

6 Property, plant and equipment

DKK	Fixtures and fittings, other plant and equipment
Cost at 1 January 2021	40,604
Additions	42,000
Cost at 31 December 2021	82,604
Depreciation	13,720
Impairment losses and depreciation at 31 December 2021	13,720
Carrying amount at 31 December 2021	68,884

7 Investments

DKK	Investments in group enterprises	Deposits, investments	Total
Cost at 1 January 2021	1,007,081	282,197	1,289,278
Additions	0	134,803	134,803
Cost at 31 December 2021	1,007,081	417,000	1,424,081
Value adjustments at 1 January 2021	3,908,098	0	3,908,098
Profit/loss for the year	3,461,504	0	3,461,504
Reversal of prior year revaluations	-631,552	0	-631,552
Value adjustments at 31 December 2021	6,738,050	0	6,738,050
Carrying amount at 31 December 2021	7,745,131	417,000	8,162,131

8 Contractual obligations and contingencies, etc.

Contingent liabilities

As management company, the Company is jointly taxed with other Danish group entity and is jointly and severally with other jointly taxed group entity for payment of income taxes, withholding taxes on interest, royalties and dividends.

9 Contingent assets

Tax value of unused tax losses carried forward represent a value of DKK 7,132k

10 Collateral

For the security of the company's bank debt, a mortgage of DKK 2,000k has been given in trade receivables, other fixtures and fittings, tool and equipment and developed intangible assets.

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Ulrik Monberg

Direktion

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Ulrik Monberg

Dirigent

På vegne af: Arpedio Solutions ApS

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Ulrik Monberg

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Torben Frigaard Rasmussen

Bestyrelse

På vegne af: Arpedio Solutions ApS

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Søren Smedegaard Hvid

Statsautoriseret revisor

På vegne af: EY Godkendt Revisionspartnerselskab

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