

# Naviga A/S

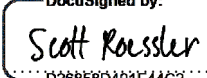
c/o Advokatfirmaet Kjellegaard Jensen, Tuborg Boulevard 12, 3., 2900 Hellerup

CVR no. 17 46 81 46

## Annual report 2021

Approved at the Company's annual general meeting on 19 July 2022

Chair of the meeting:

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Scott Roessler

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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 Naviga A/S 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.

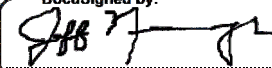
Hellerup, 19 July 2022  
Executive Board:

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Klas Jonas Bringle

Board of Directors:

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Scott Roessler  
Chair

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Klas Jonas Bringle

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Jeffery Paul Neunsinger

## Independent auditor's report

To the shareholders of Naviga A/S

### Opinion

We have audited the financial statements of Naviga A/S 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.

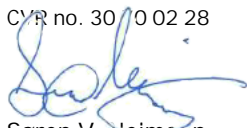
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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.

Aalborg, 19 July 2022  
EY Godkendt Revisionspartnerselskab  
CVR no. 30700228



Søren V. Nejmann  
State Authorised Public Accountant  
mne32775



Henrik K. Andersen  
State Authorised Public Accountant  
mne36193

## Management's review

## Company details

Name	Naviga A/S c/o Advokatfirmaet Kjellegaard Jensen, Tuborg Boulevard 12, 3., 2900 Hellerup
Address, Postal code, City	
CVR no.	17 46 81 46
Established	1 December 1993
Registered office	Gentofte
Financial year	1 January - 31 December
Website	<a href="http://www.navigaglobal.com">www.navigaglobal.com</a>
Telephone	+45 96 31 42 00
Board of Directors	Scott Roessler, Chair Klas Jonas Bringle Jeffery Paul Neunsinger
Executive Board	Klas Jonas Bringle
Auditors	EY Godkendt Revisionspartnerselskab Vestre Havnepromenade 1A, 9000 Aalborg, Denmark

## Management's review

### Business review

Naviga A/S as a part of the Naviga group develops and markets software and services to the media industry. The product range primarily consists of enterprise-level digital and print systems for multi-channel publishing, audience management, and advertising and circulation, all available as managed hosted solutions.

### Financial review

The income statement for 2021 shows a loss of DKK 10,281 thousand against a profit of DKK 6,852 thousand last year, and the balance sheet at 31 December 2021 shows equity of DKK 55,866 thousand.

### Events after the balance sheet date

No events 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'000	2021	2020
	Gross profit/loss	-4,169	9,148
2	Staff costs	-3,202	-4,645
	Depreciation, amortization and impairment losses	-12	-9
	Profit/loss before net financials	-7,383	4,494
3	Financial income	6,823	3,614
4	Financial expenses	-9,721	-1,256
	Profit/loss for the year	-10,281	6,852
	Recommended appropriation of profit/loss	-10,281	6,852
	Retained earnings/accumulated loss	-10,281	6,852



## Financial statements 1 January - 31 December

## Balance sheet

Note	DKK'000	2021	2020
	ASSETS		
	Fixed assets		
5	Property, plant and equipment		
	Tools and equipment	15	14
		15	14
	Investments		
	Deposits	0	771
		0	771
	Total fixed assets	15	785
	Non-fixed assets		
	Receivables		
	Trade receivables	3,241	3,767
	Contract work in progress	143	312
	Receivables from group entities	87,338	93,713
	Income taxes receivable	58	0
	Other receivables	10	9
	Prepayments	2,776	1,335
		93,566	99,136
	Cash	3,119	738
	Total non-fixed assets	96,685	99,874
	TOTAL ASSETS	96,700	100,659

## Financial statements 1 January - 31 December

## Balance sheet

Note	DKK'000	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	13,763	13,763
	Retained earnings	42,103	52,384
	Total equity	<u>55,866</u>	<u>66,147</u>
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Other payables	350	350
		<u>350</u>	<u>350</u>
	Current liabilities other than provisions		
	Prepayments received from customers	13,184	10,440
	Trade payables	182	337
	Payables to group entities	26,007	21,973
	Other payables	1,111	1,412
		<u>40,484</u>	<u>34,162</u>
	Total liabilities other than provisions	<u>40,834</u>	<u>34,512</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>96,700</u></u>	<u><u>100,659</u></u>

- 1 Accounting policies
- 7 Contractual obligations and contingencies, etc.
- 8 Related parties

## Financial statements 1 January - 31 December

## Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2021	13,763	52,384	66,147
Transfer through appropriation of loss	0	-10,281	-10,281
Equity at 31 December 2021	<u>13,763</u>	<u>42,103</u>	<u>55,866</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Naviga A/S 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.

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'000).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognized in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognized in the latest financial statements is recognized in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

### Income statement

#### Revenue

When entering into sales contracts that consist of several separate components, the contract amount is allocated by the individual components based on the relative fair value approach. The separate components are recognized as revenue when the criteria applicable to sale of goods and services have been met.

A contract is allocated by individual components when the fair value of these individual components can be reliably measured and when each component represents a separate value to the buyer. Sales components are deemed to represent a separate value to the buyer when the component is individually identifiable and is normally sold separately.

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

Income from the sale of services, comprising service contracts, is recognized in revenue on a straight-line basis as delivered as the services are delivered in the form of an indefinite number of actions over a specific period of time.

#### Gross profit/loss

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

#### External expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to sale, administration and premises.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

##### Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Tools and equipment	3-5 years
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Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

##### Financial income and expenses

Financial income and expenses comprise interest income and expense and realized and unrealized gains and losses on deposits, receivables, payables and transactions denominated in foreign currencies.

##### Tax

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 entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### 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.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### Receivables

Receivables are measured at amortized cost. Write-down is made for expected losses at the net realisable value.

##### Contract work in progress

Contract work in progress is recognized at cost comprising materials at cost and wages and salaries and other costs indirectly attributable to the individual orders.

Advance billing exceeding the value of work in progress on the individual order is recognized as current liabilities.

Selling costs and costs incurred in securing contracts are recognized in the income statement as incurred.

##### Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

##### Cash

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

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income taxes

Current tax payable and receivable is recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets are recognized under other non-current assets at the expected value of their utilization; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the end of the reporting period when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognized in the statement of comprehensive income.

##### Liabilities

Financial liabilities are recognized at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are recognized at amortized cost, corresponding to the capitalized value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognized in the income statement over the term of the loan.

Other liabilities other than provisions comprising trade payables, payables to group enterprises and associates and other payables are measured at amortized cost.

## Financial statements 1 January - 31 December

## Notes to the financial statements

DKK'000	2021	2020
2 Staff costs		
Wages/salaries	2,906	4,262
Pensions	237	289
Other social security costs	36	57
Other staff costs	23	37
	<u>3,202</u>	<u>4,645</u>
Average number of full-time employees	<u>5</u>	<u>7</u>
3 Financial income		
Interest receivable, group entities	6,823	3,614
	<u>6,823</u>	<u>3,614</u>
4 Financial expenses		
Interest expenses, group entities	4,240	577
Other financial expenses	5,481	679
	<u>9,721</u>	<u>1,256</u>
5 Property, plant and equipment		
DKK'000		Tools and equipment
Cost at 1 January 2021		342
Additions in the year		<u>13</u>
Cost at 31 December 2021		<u>355</u>
Impairment losses and depreciation at 1 January 2021		328
Amortisation/depreciation in the year		<u>12</u>
Impairment losses and depreciation at 31 December 2021		<u>340</u>
Carrying amount at 31 December 2021		<u>15</u>

## 6 Deferred tax

The Company's deferred tax asset has been written down to DKK 0 thousand as it is uncertain if the tax asset can be utilised within a foreseeable future. The deferred tax asset consists of tax losses and time differences of intangible and tangible fixed assets.

The Company's deferred tax asset before write-down is totalling DKK 15,718 thousand.

## 7 Contractual obligations and contingencies, etc.

## Other contingent liabilities

The Company is jointly taxed with its parent, Newscycle Denmark ApS, which acts as management company, and is jointly and severally with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling due for payment.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 8 Related parties

##### Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>
Newscycle Solutions Holdings Inc	Bloomington, USA