



RSM

RSM Danmark

Statsautoriseret
Revisionspartnerselskab

Ved Vesterport 6, 5. sal
1612 København
T +45 33 93 22 33

CVR nr. 25 49 21 45

kobenhavn@rsm.dk
www.rsm.dk

PEOPLE2.0 Denmark ApS

Automatikvej 1, 2860 Søborg

Company reg. no. 27 23 05 55

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 17 July 2023.

Steven Kenneth Schaus
Chairman of the meeting

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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 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of PEOPLE2.0 Denmark ApS for the financial year 1 January - 31 December 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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

We recommend that the annual report be approved at the Annual General Meeting.

Søborg, 17 July 2023

Managing Director

Steven Kenneth Schaus

Board of directors

Steven Kenneth Schaus

Independent auditor's report

To the Shareholders of PEOPLE2.0 Denmark ApS

Opinion

We have audited the financial statements of PEOPLE2.0 Denmark ApS for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under 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 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ International 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 about 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 these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.
- 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 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 Management's Review

Management is responsible for Management's Review.

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

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Copenhagen V, 17 July 2023

RSM Denmark

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 49 21 45

Peter Arent Benkjer

State Authorised Public Accountant
mne35785

Company information

The company	PEOPLE2.0 Denmark ApS Automatikvej 1 2860 Søborg Company reg. no. 27 23 05 55 Established: 1 July 2003 Domicile: Gladsaxe Financial year: 1 January - 31 December
Board of directors	Steven Kenneth Schaus
Managing Director	Steven Kenneth Schaus
Auditors	RSM Denmark Statsautoriseret Revisionspartnerselskab Ved Vesterport 6, 5. sal 1612 København V
Parent company	PEOPLE2.0 (GROUP) UK LIMITED

Management's review

The principal activities of the company

People2.0 Denmark ApS's primary activities are to deliver management-, and consulting services and payroll administration, and to perform other services that according to the Supervisory Board are connected with this.

Development in activities and financial matters

The revenue for the year totals DKK 119.901.000 against DKK 62.137.000 last year. Income or loss from ordinary activities after tax totals DKK -615.000 against DKK -356.000 last year. Management considers the net loss for the year satisfactory.

The company has lost more than half of its share capital. In June, 2023 the group made a cash capital contribution of DKK 500,000 from the parent company, People2.0 (Group) UK Ltd., in order to reestablish the share capital.

Management expects that the parent company People2.0 (Group) UK Ltd. also going forward will support the Danish entity financially if necessary.

Events occurring after the end of the financial year

The company's capital is restored by a tax-free cash contribution from the parent company, People2.0 (Group) UK Ltd., of DKK 500,000 so the share capital is present.

Accounting policies

The annual report for PEOPLE2.0 Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Revenue

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external expenses

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Accounting policies

Staff costs

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

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Revenue	119.900.789	62.136.696
Other external expenses	-3.630.408	-2.831.894
Gross profit	116.270.381	59.304.802
1 Staff costs	-116.635.173	-59.630.919
Operating profit	-364.792	-326.117
Other financial income	-208.246	-7.064
Other financial expenses	-41.768	-23.087
Pre-tax net profit or loss	-614.806	-356.268
Net profit or loss for the year	-614.806	-356.268
Proposed distribution of net profit:		
Allocated from retained earnings	-614.806	-356.268
Total allocations and transfers	-614.806	-356.268

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Current assets		
Trade receivables	4.470.989	487.861
Receivables from group enterprises	2.093.360	1.680.067
Deferred tax assets	1.203.041	1.203.041
Income tax receivables	12.000	0
Other receivables	4.671.283	86.138
Total receivables	<u>12.450.673</u>	<u>3.457.107</u>
Cash on hand and demand deposits	<u>347.316</u>	<u>3.261.349</u>
Total current assets	<u>12.797.989</u>	<u>6.718.456</u>
Total assets	<u>12.797.989</u>	<u>6.718.456</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity		
Contributed capital	125.000	125.000
Retained earnings	-287.508	327.298
Total equity	-162.508	452.298
 Liabilities other than provisions		
Other payables	170.283	1.131.151
Total long term liabilities other than provisions	170.283	1.131.151
Trade payables	1.535.775	555.513
Other payables	11.254.439	4.579.494
Total short term liabilities other than provisions	12.790.214	5.135.007
Total liabilities other than provisions	12.960.497	6.266.158
 Total equity and liabilities	12.797.989	6.718.456

2 Related parties

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2021	125.000	-816.434	-691.434
Retained earnings for the year	0	-356.268	-356.268
Cash capital increase	0	1.500.000	1.500.000
Equity 1 January 2022	125.000	327.298	452.298
Retained earnings for the year	0	-614.806	-614.806
	125.000	-287.508	-162.508

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
1. Staff costs		
Salaries and wages	115.589.869	58.589.531
Pension costs	<u>1.045.304</u>	<u>1.041.388</u>
	<u>116.635.173</u>	<u>59.630.919</u>
Average number of employees	<u>93</u>	<u>54</u>

2. Related parties

Consolidated financial statements

The company is included in the consolidated financial statements of PEOPLE2.0 (GROUP) UK LIMITED, London.