



North Star Systems ApS

Gåseagervej 6, 1.
8250 Egå
CVR No. 29445729

Annual report 2020

The Annual General Meeting adopted the
annual report on 30.06.2021

Peter Skovmand Jensen
Conductor

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Entity details

Entity

North Star Systems ApS

Gåseagervej 6, 1.

8250 Egå

CVR No.: 29445729

Registered office: Aarhus

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Julian Mher Setian

Bruce Maclean Crowell

Executive Board

Peter Skovmand Jensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of North Star Systems ApS for the financial year 01.01.2020 - 31.12.2020.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aarhus, 30.06.2021

Executive Board

Peter Skovmand Jensen

Board of Directors

Julian Mher Setian

Bruce Maclean Crowell

Independent auditor's extended review report

To the shareholders of North Star Systems ApS

Conclusion

We have performed an extended review of the financial statements of North Star Systems ApS for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 30.06.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Fauerskov

State Authorised Public Accountant
Identification No (MNE) mne35428

Management commentary

Primary activities

The Company's primary activities consist in developing and selling Information Technology and consultancy related to this.

Development in activities and finances

In 2020 the Company has focused on product development in order to improve the market position.

Loss for the year of DKK 7.333k is not considered satisfactory.

The Company's equity is negative by DKK 6.425k and the Company has thus lost its share capital.

However The Company is after the change in ownership in January 2020 part of a new group that supports the continued operations and growth.

Based on the new owner's current financial position and the business prospects over the next 12 months, the owners does not intend to demand payment of the note and expects to be able to continue its funding of North Star Systems operations as needed for the next 12 month period.

As a result of the change in ownership the Company's liquidity has been improved substantially.

Following our 5 year plan we expect to turn the Company into a profitable company and gain the lost equity within the next years. However this plan is to some extent affected by the ongoing COVID crisis and transitional delays may occur.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		(1,827,399)	(1,295,350)
Staff costs	2	(6,986,160)	(1,258,882)
Depreciation, amortisation and impairment losses		(48,516)	(18,160)
Operating profit/loss		(8,862,075)	(2,572,392)
Other financial income		486,404	1,034,242
Other financial expenses	3	(107,885)	(11,063)
Profit/loss before tax		(8,483,556)	(1,549,213)
Tax on profit/loss for the year	4	1,150,644	316,657
Profit/loss for the year		(7,332,912)	(1,232,556)
Proposed distribution of profit and loss			
Retained earnings		(7,332,912)	(1,232,556)
Proposed distribution of profit and loss		(7,332,912)	(1,232,556)

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Plant and machinery		6,993	33,856
Other fixtures and fittings, tools and equipment		122,889	0
Leasehold improvements		74,143	0
Property, plant and equipment	5	204,025	33,856
Fixed assets		204,025	33,856
Trade receivables		0	31,250
Deferred tax	6	7,000	70,000
Other receivables		268,752	112,923
Income tax receivable		1,213,644	316,657
Prepayments		84,757	3,297
Receivables		1,574,153	534,127
Cash		977,576	403,788
Current assets		2,551,729	937,915
Assets		2,755,754	971,771

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		625,000	625,000
Retained earnings		(7,049,710)	(742,396)
Equity		(6,424,710)	(117,396)
Other payables		463,640	0
Non-current liabilities other than provisions	7	463,640	0
Trade payables		139,602	24,563
Payables to shareholders and management		7,080,467	480,061
Other payables	8	1,496,755	584,543
Current liabilities other than provisions		8,716,824	1,089,167
Liabilities other than provisions		9,180,464	1,089,167
Equity and liabilities		2,755,754	971,771
Going concern	1		
Unrecognised rental and lease commitments	9		
Assets charged and collateral	10		

Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	625,000	(742,396)	(117,396)
Group contributions etc	0	1,025,598	1,025,598
Profit/loss for the year	0	(7,332,912)	(7,332,912)
Equity end of year	625,000	(7,049,710)	(6,424,710)

The Company's equity is negative by DKK 6.425k and the Company has thus lost its share capital.

The Company has decided to reestablish the equity through future operations.

Notes

1 Going concern

The Company's equity is negative by DKK 6.425k and the Company has thus lost its share capital.

However The Company is after the change in ownership in January 2020 part of a new group that supports the continued operations and growth.

Based on the new owner's current financial position and the business prospects over the next 12 months, the owners does not intend to demand payment of the note and expects to be able to continue its funding of North Star Systems operations as needed for the next 12 month period.

As a result of the change in ownership the Company's liquidity has been improved substantially.

The new owners is committed to support the Company throughout 2021 and to provide the necessary liquidity for the Company to continue its growth.

Following our 5 year plan we expect to turn the Company into a profitable company and gain the lost equity within the next years. However this plan is to some extent affected by the ongoing COVID crisis and transitional delays may occur.

2 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	6,337,395	1,247,444
Pension costs	621,313	0
Other social security costs	39,052	11,438
Other staff costs	(11,600)	0
	6,986,160	1,258,882
Average number of full-time employees	6	2

3 Other financial expenses

	2020	2019
	DKK	DKK
Financial expenses from group enterprises	102,112	0
Other interest expenses	5,504	4,543
Exchange rate adjustments	269	0
Fair value adjustments	0	6,520
	107,885	11,063

4 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	(1,213,644)	(316,657)
Change in deferred tax	63,000	0
	(1,150,644)	(316,657)

5 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	72,642	0	0
Additions	0	133,091	85,595
Cost end of year	72,642	133,091	85,595
Depreciation and impairment losses beginning of year	(38,786)	0	0
Depreciation for the year	(26,863)	(10,202)	(11,452)
Depreciation and impairment losses end of year	(65,649)	(10,202)	(11,452)
Carrying amount end of year	6,993	122,889	74,143

6 Deferred tax

Deferred tax consists of previous years' tax losses as well as temporary differences between the carrying amounts and tax-based values of property, plant and equipment.

The Company expects to be able to utilize previous years' tax losses within the next three to five years.

7 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK
Other payables	463,640
	463,640

8 Other payables

	2020 DKK	2019 DKK
Wages and salaries, personal income taxes, social security costs, etc payable	1,251,061	39,005
Holiday pay obligation	217,084	0
Other costs payable	28,610	545,538
	1,496,755	584,543

9 Unrecognised rental and lease commitments

	2020	2019
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	51,750	51,750

10 Assets charged and collateral

None.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in translation reserve in equity.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment, leasehold improvements and plant and machinery are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of

the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	4 years
Other fixtures and fittings, tools and equipment	4 years
Leasehold improvements	5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Other financial liabilities

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