



HFUNK ApS

Fredsvej 7
2840 Holte
CVR No. 29690359

Annual report 2021

The Annual General Meeting adopted the
annual report on 04.07.2022

Henrik Mou

Chairman of the General Meeting

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Entity details

Entity

HFUNK ApS

Fredsvej 7

2840 Holte

Business Registration No.: 29690359

Registered office: Rudersdal

Financial year: 01.01.2021 - 31.12.2021

Executive Board

Henrik Mou

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

6701 Esbjerg

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of HFUNK ApS for the financial year 01.01.2021 - 31.12.2021.

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

In my opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

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

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

Holte, 04.07.2022

Executive Board

Henrik Mou

Independent auditor's report

To the shareholder of HFUNK ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of HFUNK ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements 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 audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 commentary

Management is responsible for the management commentary.

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

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit 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 the consolidated financial statements and the parent 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.

Esbjerg, 04.07.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mikael Grosbøl

State Authorised Public Accountant
Identification No (MNE) mne33707

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Revenue	195,429	174,048	168,026	133,286	0
Gross profit/loss	144,480	130,420	124,360	89,981	0
Operating profit/loss	(3,859)	879	2,669	-488	-40
Net financials	(5,568)	(3,200)	(1,869)	(1,516)	0
Profit/loss for the year	2,117	4,448	13,267	-2993	-3,838
Balance sheet total	150,240	127,083	119,824	51987	23035
Investments in property, plant and equipment	3,998	8,983	15,652	529	0
Equity	71,001	62,389	59,340	668	0
Equity excl. minority interests	68,341	62,039	57,058	(1,299)	0
Cash flows from investing activities	(3,204)	(10,579)	(64,387)	(3,126)	0
Cash flows from financing activities	12,270	2,358	51,244	(1,890)	0
Ratios					
Gross margin (%)	73.93	74.93	74.01	67.51	0.00
Net margin (%)	1.08	2.56	7.90	(2.25)	(Infinity)
Equity ratio (%)	45.49	48.82	47.62	(2.50)	0.00

The company has gained a controlling influence in its subsidiaries as of the financial year 2018, so the key figures for 2017 only include the parent figures from that date and are therefore not comparable with the following years.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

Gross profit/loss * 100

Revenue

Net margin (%):

Profit/loss for the year * 100

Revenue

Equity ratio (%):

Equity excl. minority interests * 100
Balance sheet total

Primary activities

HFUNK ApS' primary activity is to act as mother company for INSCALE.

INSCALE support domestic and international business clients' strategy through providing dedicated software development teams and -resources. INSCALE always builds through a strategic partnership with our clients.

All the teams work from one of our offshore development locations. INSCALE manages and advises on the remote software development process between the client and INSCALE's offshore development location.

In providing services to the client, the team works on application development and maintenance of the client's core software solutions. In doing so, the team will be a strategic resource pool for clients' on-going software development efforts.

The collaboration and the partnership between INSCALE and the Client are a long-term relationship to give team members the best opportunity to acquire in depth knowledge of client's business and software solutions, so INSCALE enables our clients to leverage on our engagement model for their business excellence.

By adopting INSCALE's approach to building dedicated software development teams, our clients can extend their reach beyond their location into a wider pool of offshore developers and close technology gaps within their existing software development resources.

INSCALE is a player in the international market, where we all focus a huge need for software developers, as IT is fundamentally for many business' all over the world. INSCALE has a solution for this and believe that our footprint in the sector is powerful and has been consistent for many years and this will continue.

Development in activities and finances

The profit for the year amounts to DKK 2,117 thousand, which is satisfactory due to the COVID-19 challenges and in line with the planned and liquidity-requiring expansion plans. The profit for the year is still affected by costs regarding establishment of the Entity in Portugal.

Profit/loss for the year in relation to expected developments

The growth was lower than expected, but still positive with 12%. The profit for the year was lower than expected.

Outlook

We expect to return to our previous growth rate of +20% in 2022. A net profit between +5 and +10 mio. DKK in 2022 is expected.

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.

Consolidated income statement for 2021

	Notes	2021 DKK	2020 DKK
Revenue		195,429,388	174,048,085
Own work capitalised		1,629,234	2,483,372
Other operating income		413,664	413,664
Other external expenses		(52,992,584)	(46,524,880)
Gross profit/loss		144,479,702	130,420,241
Staff costs	1	(141,884,245)	(123,699,119)
Depreciation, amortisation and impairment losses	2	(6,454,473)	(5,842,118)
Operating profit/loss		(3,859,016)	879,004
Income from investments in associates		13,402,514	7,134,957
Other financial income	3	2,910,961	2,440,836
Other financial expenses	4	(8,479,091)	(5,640,510)
Profit/loss before tax		3,975,368	4,814,287
Tax on profit/loss for the year	5	(1,858,684)	(366,438)
Profit/loss for the year	6	2,116,684	4,447,849

Consolidated balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	8	5,604,453	4,233,698
Development projects in progress	8	0	848,494
Intangible assets	7	5,604,453	5,082,192
Other fixtures and fittings, tools and equipment		21,677,949	16,997,012
Property, plant and equipment in progress		0	5,961,279
Property, plant and equipment	9	21,677,949	22,958,291
Investments in associates		78,938,584	70,612,398
Other investments		2,614,269	19,143
Deposits		1,422,405	1,416,081
Financial assets	10	82,975,258	72,047,622
Fixed assets		110,257,660	100,088,105
Trade receivables		17,622,102	16,790,873
Deferred tax	11	262,357	314,041
Other receivables		3,481,717	511,843
Tax receivable		2,106,332	413,064
Prepayments	12	5,740,785	4,574,239
Receivables		29,213,293	22,604,060
Cash		10,769,137	4,391,276
Current assets		39,982,430	26,995,336
Assets		150,240,090	127,083,441

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		130,000	130,000
Translation reserve		(237,212)	(501,384)
Reserve for net revaluation according to equity method		0	24,728,588
Reserve for development costs		0	3,964,110
Retained earnings		68,448,181	33,717,381
Equity belonging to Parent's shareholders		68,340,969	62,038,695
Equity belonging to minority interests		2,660,502	350,018
Equity		71,001,471	62,388,713
Bank loans		2,083,668	3,108,591
Debt to other credit institutions		580,886	1,741,527
Other payables		0	7,000,000
Non-current liabilities other than provisions	13	2,664,554	11,850,118
Current portion of non-current liabilities other than provisions	13	10,023,640	3,005,322
Bank loans		5,877,947	7,288,895
Trade payables		902,686	4,999,306
Payables to associates		10,000,000	0
Payables to owners and management		139,244	4,775,791
Other payables		21,097,683	10,134,445
Deferred income	14	28,532,865	22,640,851
Current liabilities other than provisions		76,574,065	52,844,610
Liabilities other than provisions		79,238,619	64,694,728
Equity and liabilities		150,240,090	127,083,441
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Assets charged and collateral	18		
Transactions with related parties	19		
Subsidiaries	20		

Consolidated statement of changes in equity for 2021

	Contributed capital DKK	Translation reserve DKK	Reserve for net revaluation according to equity method DKK	Reserve for development costs DKK	Retained earnings DKK
Equity beginning of year	130,000	(501,384)	24,728,588	3,964,110	33,717,381
Effect of mergers and business combinations	0	0	0	0	(367,062)
Increase of capital	0	0	0	0	0
Exchange rate adjustments	0	264,172	0	0	0
Dissolution of revaluations	0	0	(24,728,588)	0	24,728,588
Dissolution of reserves	0	0	0	(3,964,110)	3,964,110
Profit/loss for the year	0	0	0	0	6,405,164
Equity end of year	130,000	(237,212)	0	0	68,448,181

	Equity belonging to Parent's shareholders DKK	Equity belonging to minority interests DKK	Total DKK
Equity beginning of year	62,038,695	350,018	62,388,713
Effect of mergers and business combinations	(367,062)	367,256	194
Increase of capital	0	5,848,000	5,848,000
Exchange rate adjustments	264,172	383,708	647,880
Dissolution of revaluations	0	0	0
Dissolution of reserves	0	0	0
Profit/loss for the year	6,405,164	(4,288,480)	2,116,684
Equity end of year	68,340,969	2,660,502	71,001,471

Consolidated cash flow statement for 2021

	Notes	2021 DKK	2020 DKK
Operating profit/loss		(3,859,016)	879,004
Amortisation, depreciation and impairment losses		6,454,473	5,842,118
Working capital changes	15	557,773	(314,904)
Cash flow from ordinary operating activities		3,153,230	6,406,218
Financial income received		0	752
Financial expenses paid		(2,340,608)	(1,280,605)
Taxes refunded/(paid)		(3,500,268)	(97,372)
Cash flows from operating activities		(2,687,646)	5,028,993
Acquisition etc. of intangible assets		(1,629,234)	(2,483,372)
Acquisition etc. of property, plant and equipment		(3,997,971)	(7,901,829)
Sale of property, plant and equipment		24,356	0
Acquisition of fixed asset investments		(2,601,450)	(193,429)
Dividends received from associates		5,000,000	0
Cash flows from investing activities		(3,204,299)	(10,578,630)
Free cash flows generated from operations and investments before financing		(5,891,945)	(5,549,637)
Loans raised		0	2,358,255
Repayments of loans etc.		(3,578,194)	0
Incurrence of debt to associates		10,000,000	0
Cash capital decrease		5,848,000	0
Cash flows from financing activities		12,269,806	2,358,255
Increase/decrease in cash and cash equivalents		6,377,861	(3,191,382)
Cash and cash equivalents beginning of year		4,391,276	7,582,658
Cash and cash equivalents end of year		10,769,137	4,391,276
Cash and cash equivalents at year-end are composed of:			
Cash		10,769,137	4,391,276

Cash and cash equivalents end of year	10,769,137	4,391,276
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Notes to consolidated financial statements

1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	126,597,897	108,982,982
Pension costs	422,525	3,450,447
Other social security costs	13,367,713	10,149,249
Other staff costs	1,496,110	1,116,441
	141,884,245	123,699,119
Average number of full-time employees	455	416

Remuneration to the executive board has not been disclosed in accordance with section 98b (3) of the Danish Financial Statements Act.

2 Depreciation, amortisation and impairment losses

	2021 DKK	2020 DKK
Amortisation of intangible assets	1,106,973	814,789
Depreciation on property, plant and equipment	5,362,214	5,005,753
Profit/loss from sale of intangible assets and property, plant and equipment	(14,714)	21,576
	6,454,473	5,842,118

3 Other financial income

	2021 DKK	2020 DKK
Exchange rate adjustments	2,910,961	2,440,084
Other financial income	0	752
	2,910,961	2,440,836

4 Other financial expenses

	2021 DKK	2020 DKK
Other interest expenses	542,786	573,820
Exchange rate adjustments	4,116,651	4,359,905
Other financial expenses	3,819,654	706,785
	8,479,091	5,640,510

5 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	1,807,000	340,235
Change in deferred tax	51,684	26,203
	1,858,684	366,438

6 Proposed distribution of profit/loss

	2021 DKK	2020 DKK
Retained earnings	6,405,164	5,813,543
Minority interests' share of profit/loss	(4,288,480)	(1,365,694)
	2,116,684	4,447,849

7 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	5,048,487	848,494
Transfers	1,022,414	(1,022,414)
Additions	1,455,314	173,920
Cost end of year	7,526,215	0
Amortisation and impairment losses beginning of year	(814,789)	0
Amortisation for the year	(1,106,973)	0
Amortisation and impairment losses end of year	(1,921,762)	0
Carrying amount end of year	5,604,453	0

8 Development projects

The groups development projects relate to the development and improvement of the Inscale ERP System. Development project assets are measured at net cost value, and is impairment tested on a yearly basis.

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK
Cost beginning of year	28,995,813	5,961,279
Exchange rate adjustments	936,434	0
Transfers	5,961,279	(5,961,279)
Additions	3,997,971	0
Disposals	(183,743)	0
Cost end of year	39,707,754	0
Depreciation and impairment losses beginning of year	(11,998,801)	0
Exchange rate adjustments	(842,891)	0
Depreciation for the year	(5,362,214)	0
Reversal regarding disposals	174,101	0
Depreciation and impairment losses end of year	(18,029,805)	0
Carrying amount end of year	21,677,949	0
Recognised assets not owned by Entity	381,693	0

10 Financial assets

	Investments in associates DKK	Other investments DKK	Deposits DKK
Cost beginning of year	45,883,810	19,143	1,416,081
Additions	0	2,595,126	6,324
Cost end of year	45,883,810	2,614,269	1,422,405
Revaluations beginning of year	24,728,588	0	0
Exchange rate adjustments	(76,328)	0	0
Share of profit/loss for the year	12,000,257	0	0
Dividend	(5,000,000)	0	0
Other adjustments	1,402,257	0	0
Revaluations end of year	33,054,774	0	0
Carrying amount end of year	78,938,584	2,614,269	1,422,405

Associates	Registered in	Ownership %
Mou Fusion ApS	Virum, Denmark	33,33

11 Deferred tax

	2021
Changes during the year	DKK
Beginning of year	314,041
Recognised in the income statement	(51,684)
End of year	262,357

The capitalized tax assets consists only of tax losses from the groups malaysian subsidiary.

Deferred tax assets

Deferred tax assets are measured at net realizable value, and are based on Management's best estimate. The capitalized tax assets consists only of tax losses from the groups malaysian subsidiary.

12 Prepayments

Prepayments consist of insurance, subscription fees, etc. in respect of subsequent financial years.

13 Non-current liabilities other than provisions

	Due within 12 months	Due within 12 months	Due after more than 12 months
	2021	2020	2021
	DKK	DKK	DKK
Bank loans	1,024,923	968,343	2,083,668
Lease liabilities	265,519	534,831	0
Debt to other credit institutions	1,733,198	1,502,148	580,886
Other payables	7,000,000	0	0
	10,023,640	3,005,322	2,664,554

The Group has no long-term debt that is due more than 5 years from the balance sheet date.

14 Deferred income

Deferred income consists of revenue to be recognized in future periods as the recognition criteria has not been completed yet.

15 Changes in working capital

	2021	2020
	DKK	DKK
Increase/decrease in receivables	(8,195,171)	(144,399)
Increase/decrease in trade payables etc.	8,122,085	(312,528)
Other changes	630,859	142,023
	557,773	(314,904)

16 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Total liabilities under rental or lease agreements until maturity	28,027,997	28,829,652

17 Contingent liabilities

The entity participates in a Danish joint taxation arrangement in which HFUNK ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

18 Assets charged and collateral

The group has not itself provided collateral or made mortgages.

19 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

20 Subsidiaries

	Registered in	Corporate form	Ownership %
Inscale Holding ApS (Hold 32,89% of Inscale A/S)	Denmark	ApS	52.50
Inscale A/S	Denmark	A/S	30.76
Inscale Asia (owned 100% by Inscale A/S)	Malaysia	SDN Bhd	100
Inscale Facilitation (owned 100% by Inscale A/S)	Malaysia	SDN Bhd	100
Inscale Portugal (owned 100% by Inscale A/S)	Portugal	Ltd.	100
Inscale QT Ukraine (owned 100% by Inscale A/S)	Ukraine	LLC	100
Inscale Ukraine (owned 100% by Inscale A/S)	Ukraine	Ltd.	100

Parent income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		(13,530)	(75,860)
Income from investments in group enterprises		(3,806,591)	(1,213,221)
Income from investments in associates		13,402,514	7,134,957
Other financial income	1	667,869	720,752
Other financial expenses		(3,845,098)	(753,084)
Profit/loss for the year	2	6,405,164	5,813,544

Parent balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Investments in group enterprises		2,433,880	281,433
Investments in associates		78,938,584	70,612,398
Other investments		19,143	19,143
Other receivables		0	4,087,756
Financial assets	3	81,391,607	75,000,730
Fixed assets		81,391,607	75,000,730
Receivables from group enterprises		2,091,875	61,000
Other receivables		3,165,376	252,777
Receivables		5,257,251	313,777
Current assets		5,257,251	313,777
Assets		86,648,858	75,314,507

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		130,000	130,000
Reserve for net revaluation according to equity method		19,628,054	15,135,020
Retained earnings		48,582,915	46,773,675
Equity		68,340,969	62,038,695
Other payables		0	7,000,000
Non-current liabilities other than provisions	4	0	7,000,000
Current portion of non-current liabilities other than provisions	4	7,000,000	0
Bank loans		1,135,458	1,386,834
Payables to associates		10,000,000	0
Payables to owners and management		112,244	4,748,791
Other payables		60,187	140,187
Current liabilities other than provisions		18,307,889	6,275,812
Liabilities other than provisions		18,307,889	13,275,812
Equity and liabilities		86,648,858	75,314,507
Contingent liabilities	5		
Assets charged and collateral	6		
Related parties with controlling interest	7		

Parent statement of changes in equity for 2021

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	130,000	15,135,020	46,773,675	62,038,695
Effect of divestments of entities etc.	0	2,483,529	0	2,483,529
Exchange rate adjustments	0	264,172	0	264,172
Other entries on equity	0	(2,850,591)	0	(2,850,591)
Profit/loss for the year	0	4,595,924	1,809,240	6,405,164
Equity end of year	130,000	19,628,054	48,582,915	68,340,969

Notes to parent financial statements

1 Other financial income

	2021 DKK	2020 DKK
Financial income from group enterprises	667,869	720,000
Other financial income	0	752
	667,869	720,752

2 Proposed distribution of profit and loss

	2021 DKK	2020 DKK
Retained earnings	6,405,164	5,813,544
	6,405,164	5,813,544

3 Financial assets

	Investments in group enterprises DKK	Investments in associates DKK	Other investments DKK	Other receivables DKK
Cost beginning of year	9,875,000	45,883,810	19,143	4,087,756
Transfers	0	0	0	(4,050,625)
Additions	5,985,600	0	0	0
Disposals	0	0	0	(37,131)
Cost end of year	15,860,600	45,883,810	19,143	0
Revaluations beginning of year	0	24,728,588	0	0
Exchange rate adjustments	0	(76,328)	0	0
Share of profit/loss for the year	0	12,000,257	0	0
Dividend	0	(5,000,000)	0	0
Other adjustments	0	1,402,257	0	0
Revaluations end of year	0	33,054,774	0	0
Impairment losses beginning of year	(9,593,567)	0	0	0
Exchange rate adjustments	340,500	0	0	0
Share of profit/loss for the year	(3,806,591)	0	0	0
Other adjustments	(367,062)	0	0	0
Impairment losses end of year	(13,426,720)	0	0	0
Carrying amount end of year	2,433,880	78,938,584	19,143	0

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

Investments in associates	Registered in	Corporate form	Ownership %
Mou Holding A/S	Virum, Denmark	A/S	33,33

4 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK
Other payables	7,000,000
	7,000,000

The Company has no long-term debt that is due more than 5 years from the balance sheet date.

5 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

6 Assets charged and collateral

The company has not itself provided collateral or made mortgages.

7 Related parties with controlling interest

Related parties with controlling interest consist of Henrik Mou. No disclosures of transactions with related parties has been stated as management believes that all transactions with related parties has been carried out on arms length basis.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent 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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date,

with net assets having been calculated at fair value.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, own work capitalised, other operating income and other 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.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

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 wages and salaries, and 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 and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after pro rata elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and 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, amortisation of financial liabilities, and 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**Intellectual property rights etc.**

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment 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. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the manufacturing process are recognised in cost based on time spent on each asset.

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:

Other fixtures and fittings, tools and equipment

3-5 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.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value.

Associates with negative equity value are measured at DKK 0. Any receivables from these associates are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to reserve for net revaluation according to the equity method in equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Investments in associates fall within the definitions of both participating interests and associates, yet in these consolidated financial statements they have been presented as investments in associates because this designation reflects more accurately the Group's involvement in the relevant entities.

Receivables

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

Other investments

Other investments comprise listed securities which are measured at fair value (market price) at the balance

sheet date, and unlisted equity investments measured at the lower of cost and net realisable value.

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 cash in hand and bank deposits.

Minority interests

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of

enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.