

ZeroChaos (Nordic) ApS

Fuglevangsvej 11
DK-1962 Frederiksberg C
Denmark

CVR no. 29 77 08 59

Annual Report for 2021

The annual report has been presented
And adopted at the Annual General
Meeting of the Company
On 6 July 2022

Kevin Douglas Akeroyd
Chairman of the general meeting

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Statement by the Management on the annual report

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of ZeroChaos(Nordic) ApS for the financial year 1 January - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Frederiksberg, 6 July 2022

Executive Board

Kevin Douglas Akeroyd

Teresa Rose Golio

Board of directors

Kevin Douglas Akeroyd
Chairman

Teresa Rose Golio

Catherine Coles

Independent auditor's report

To the shareholder of ZeroChaos (Nordic) ApS

Opinion

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 and cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of ZeroChaos(Nordic) ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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.

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.

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, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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.

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.

Reporting obligations under section 7(2) of the Danish Executive Order on Approved Auditors' Reports

Non-compliance with Danish tax legislation

In violation of the Danish tax legislation, the Company has not submitted the company's tax return for 2020 and, by which Management may incur liability.

Hellerup, 6 July 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Bo Schou-Jacobsen

State Authorised Public Accountant

Mne28703

Company Information

The Company

ZeroChaos (Nordic) ApS
Fuglevangsvej 11
1962 Frederiksberg C

CVR no 29 77 08 59

Established: 2 August 2006

Financial year: 1. januar - 31. december

Board of directors

Kevin Douglas Akeroyd (Chairman)
Teresa Rose Golio
Catherine Coles

Executive Board

Kevin Douglas Akeroyd (CEO)
Teresa Rose Golio

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Management's review

Key figures	2021	2020	2019	2018	2017
Gross Margin	4%	4%	5%	7%	8%
Operating margin	2%	2%	4%	5%	6%
Current Ratio	120%	115%	121%	114%	118%
Return on Equity	16%	-7%	33%	31%	37%
Solvency Ratio	16%	13%	17%	12%	15%
Total Assets	361,398	415,990	339,211	354,120	194,351
Total liabilities	302,283	361,043	279,944	311,476	165,192
Total Equity	59,114	54,947	59,267	42,644	29,575
Total Revenue	509,200	408,097	508,073	381,021	223,586
Gross profit	18,001	16,638	27,634	24,797	18,014
Operating Profit	11,082	8,124	20,828	17,939	13,211
Financial items, net	(3,831)	(13,747)	(354)	(2,241)	(247)
Net income	4,167	(4,040)	16,623	13,277	10,950
Average Number of Full-time Employees (FTE)	7	6	4	4	4

Financial ratios are calculated in accordance with the guidelines "Recommendations & Ratios" issued by the Danish Society of Financial Analysts. The financial ratios have been calculated as follows:

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Short-term debt}}$
Return on equity	$\frac{\text{Profit from ordinary activities after tax} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interests year end} \times 100}{\text{Total equity and liabilities at year end}}$

Management's review

Principal activities

The Company's principal activities are administration of staffing services.

Development in activities and financial matters

On October 20, 2021, the Workforce Logiq Group was acquired by PRO Corporation, which took over the overall operations of all units worldwide, including Denmark. The consolidated financial statements for 2021 have been prepared by ZeroChaos Netherlands B.V. (see Note 11).

In 2021 the Company has realized revenues of DKK 509 million compared to DKK 408 million in 2020. The increase in revenue is primarily related to an increased demand for contingent workforces due to COVID-19 pandemic.

Gross profit has slightly increased from DKK 16,6 million to DKK 18 million. Excluding depreciation and amortization, operating profit has increased from DKK 8 million to DKK 11 million. Given the global advance towards a more agile and on-demand talent workforce due to the pandemic, management sees sales growth rebounding through 2022 and beyond.

The Company's equity is positive by DKK 59 million as of 31 December 2021.

Uncertainty relating to recognition and measuring

There have been no uncertainties as to recognition and measuring in 2021.

Outlook

Moderate growth is expected in 2022 as the Nordic region continues to recover from the COVID-19 pandemic. Management expects to continue to increase revenue through 2022 and beyond.

Specific risk

Other than currency risks as a consequence of being funded by the parent company in USD, the Company holds no unusual risk.

The majority of the Company's payables are contingent upon receipt of cash from customers; as a result, credit risk is relatively low. The Company is partially funded by debt and is therefore exposed to the normal risks of interest rate fluctuation arising from variable rate instruments.

Events after the balance sheet date

No events have occurred after the balance sheet date which may change the financial position of the entity substantially.

Corporate Social Responsibility and Gender Diversity cf. 99a and 99b

ZeroChaos (Nordic) ApS does not discriminate in employment opportunities or practices on the basis of race, color, disability, religion, gender, national origin, age, marital status, creed, veterans status or any other characteristic protected by applicable law.

There are 3 members in ZeroChaos (Nordic) ApS Board of Directors. Two out of three is female, which exceeds our target of 50% of the underrepresented gender on the board. The current gender representation at the Board is consider sufficient and there is no need of additional targets.

In 2021, ZeroChaos (Nordic) ApS had 2 female in the management level out of 3. As the business expands the company will continue to work to strengthen its strategy to increase the gender representation on the management level by presenting equal opportunities to both genders and trainings to develop their skills.

Business model

CSR is generally very important and a priority area of ZeroChaos (Nordic) ApS. It is management's clear belief that it adds value to the business if a company combines its business model with consideration for CSR.

The Company utilizes proprietary web-based technology to deliver and manage temporary labor services to large professional and information technology-based businesses. Temporary labor service is a service where the Company's resources work at customer locations under the supervision of customer personnel.

The Company's business strategy, including its day-to-day activities in the efficient deliverance and effective management of temporary labor services always focuses on its general CSR policy.

ZeroChaos(Nordic) ApS has no formal policies related to CSR, including human rights, environment and climate, anti-corruption and bribery, and employee and social matters, due to its sole purpose of being a legal entity that eases operations and invoicing performed in Denmark. Given the nature of our activities, we have not identified any material risks within any of the four areas.

Overall, the Company follows the PRO Unlimited group's compliance policies, which can be found at: <https://prounlimited.com/compliance-policies.php>

Statutory report on data ethics policy cf. 99d

The Company follows the law and regulations in respect to treat all acquired data in a respectful manner. The Company has a written down IT security policy, which also secure all external acquired data is handled safely. However, the Company has not a written policy on data ethics, acquired data are only used internally in the Company.

Income Statement

	Note	2021 (DKK '000)	2020 (DKK '000)
Revenue	2	509,200	408,097
Cost of services sold		(491,198)	(391,459)
Gross Profit		18,001	16,638
Other external costs		(2,026)	(3,136)
Staff cost	3	(4,891)	(5,376)
Depreciation & Amortization	4	(3)	(3)
Operating profit		11,082	8,124
Financial expenses	5	(3,831)	(13,747)
Net profit/loss for the year before tax		7,252	(5,623)
Tax on loss (profit) for the year	6	(3,084)	1,583
Net profit/loss for the year		4,167	(4,040)
Distribution of profit			
Retained earnings		4,167	(4,040)
		4,167	(4,040)

Balance Sheet at 31 December

	Note	2021 (DKK '000)	2020 (DKK '000)
Assets			
Fixed assets			
Computers & Equipment	4	79	10
Property, plant and equipment		79	10
Deposits		81	52
Financial assets		81	52
Total fixed assets		160	62
Trade receivables		186,077	146,190
Receivables from group enterprises		148,338	266,055
Corporate tax receivables		50	30
Deferred Taxes		1,237	1,237
Prepayments	8	9	17
Receivables		335,709	413,529
Cash		25,529	2,398
Total current assets		361,238	415,927
Total assets		361,398	415,989

Balance Sheet at 31 December

	Note	2021 (DKK '000)	2020 (DKK '000)
Liabilities and equity			
Share capital	9	125	125
Retained earnings		58,989	54,822
Total equity		59,114	54,947
Accounts payable		170,986	136,951
Payable to group enterprises		116,364	84,955
Corporate tax payables		12,235	9,003
Other payables		2,698	3,752
Bank Debt		-	126,381
Short-term liabilities		302,283	361,042
Total liabilities and equity		361,398	415,989
Contractual obligations and contingencies	10		
Related party disclosures	11		
Fees to Auditor Appointed at General Meeting	12		
Events after the balance sheet date	13		

Cash Flow Statement

	2021 (DKK '000)	2020 (DKK '000)
Operating profit/loss	11,082	8,124
Depreciation & Amortization	3	3
Other non-cash adjustments	109	(236)
Financial expenses	(3,831)	(13,747)
Adjusted earnings from current operations	7,363	(5,856)
(Increase)/Decrease in operating receivables	(39,887)	7,832
Increase/(Decrease) in operating liabilities	32,981	1,535
Cash flow from current operations	7,363	(5,856)
 Purchase of tangible fixed assets	 (72)	 0
Cash flow from investing activities	(72)	0
 Repay bank loan	 (126,381)	 0
Drawdown bank loan	0	66,615
Intercompany financing	149,127	(69,816)
Cash flow from financing activities	22,746	(3,202)
 Total cash flow in-flow	 23,131	 310
 Cash at the beginning of year	 2,398	 2,088
Change in cash	23,131	310
Cash at the end of year	25,529	2,398

Statement of changes in equity

	Share capital (DKK '000)	Retained earnings (DKK '000)	Total (DKK '000)
Equity at 1 January 2021	125	54,822	54,947
Profit for the year	-	4,167	4,167
Equity at 31 December 2021	125	58,989	59,114

Notes

Note 1 – Accounting policies

The annual report for ZeroChaos (Nordic) ApS for 2021 has been prepared in accordance with the provisions applying to reporting class C large-sized entities under the Danish Financial Statements Act.

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

The Financial Statements are presented in DKK.

Recognition and measurement

Income is recognized in the income statement as earned, including value adaments of financial assets and liabilities. All expenses including depreciation / amortization and impairment losses are recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future financial benefits will flow to the company and when the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is likely that the future financial benefits will flow out of the company and when the measurement of the value of the liability is reliable.

On initial recognition, assets and liabilities are recognized at cost. Subsequently, assets and liabilities are measured as described below for each item.

Intra-group business combinations

In connection with business combinations such as acquisition and disposal of equity investments, mergers, demergers, addition of assets and exchange of shares, etc., involving enterprises controlled by the parent company, the uniting-of-interests method is used. Differences between the agreed consideration and the carrying amount of the acquired enterprise are recognized in equity. Moreover, comparative figures for previous financial years are restated.

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 recognised 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 recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Note 1 – Accounting policies (continued)

Foreign exchange adjustments of intra-group balances with independent foreign subsidiaries which are considered part of the investment in the subsidiary are recognised directly in equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

Income statement

Revenue

Revenue comprising sale of consultancy services is recognized if delivery and transfer of risk took place before the end of the year. Revenue is recognized without VAT and with deduction of discounts in connection with the sale.

Cost of services sold

Consultancy services comprise expenses for external consultants held in direct connection with the company's revenue.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on transactions denominated in foreign currencies and refunds under the on-account tax scheme, etc.

Tax on results for the year

Tax on results for the year which comprises current tax and changes in deferred tax is recognised in the income statement with the portion of taxes related to the taxable income for the year and directly under equity with the portion which can be related to entries entered directly under equity.

Note 1 – Accounting policies (continued)

The Balance Sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Fixtures and fittings, tools and equipment	5 years.
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Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment as well as investments in subsidiaries 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.

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

Receivables

Receivables are measured at amortised cost which usually equals nominal value. Write-down is made for bad debt losses where there is an objective indication that a receivable or a receivable portfolio has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made based on an individual assessment.

Prepayments

Prepayments recognised under assets comprise incurred expenses related to the following financial year.

Note 1 – Accounting policies (continued)***Dividends***

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Current and deferred tax

Current tax liabilities and current tax receivable are recognised in the balance sheet as tax calculated on the taxable income for the year adjusted for tax on previous years' taxable income and pre-paid taxes.

Deferred tax is measured according to the balance sheet liability method in respect of temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry forward 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.

Deferred tax is measured in accordance with tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are subject to an insignificant risk of changes in value.

Cash flow statement

The cash flow statement shows the cash flows from operating, investing, and financing activities for the year, the year's changes in cash at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the of the profit/loss adjusted for non-cash operating items, changes in working capital, corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of share capital and related costs as well as the raising of loans, and repayment of interest-bearing debt.

Notes

	2021 (DKK '000)	2020 (DKK '000)
Note 2 – Revenue by Geographical Market		
Domestic	506,971	395,363
Foreign	2,229	12,733
	<u>509,200</u>	<u>408,096</u>

Revenue by Activity

Staffing Administration Services	509,200	408,096
	<u>509,200</u>	<u>408,096</u>

	2021 (DKK '000)	2020 (DKK '000)
Note 3 – Staff Cost		
Wages and Salaries	3,716	4,322
Pension cost	381	426
Other Expenses to Social Security	269	254
Other Staff costs	524	374
	<u>4,891</u>	<u>5,376</u>

	(Number)	(Number)
Average Number of Employees	<u>7</u>	<u>6</u>

Remuneration:

Board of Directors.	0	0
Executive Board	0	0

Note 4 – Fixed assets

	Computers (DKK '000)
Cost at 1 January 2021	<u>115</u>
Additions	<u>74</u>
Cost 31. December 2021	<u>189</u>
Amortization and impairment at 1 January 2021	(107)
Amortisation and impairment losses	<u>(3)</u>
Amortization and impairment losses at 31 December 2021.	<u>(110)</u>
Carrying amount at 31 December 2020	<u><u>79</u></u>

	2021 (DKK '000)	2020 (DKK '000)
Note 5 – Financial Expenses		
Interest Expense.	872	3,639
Bank Related Fees.	259	233
Foreign Currency (Gain)/Loss	2,699	9,875
	<u><u>3,831</u></u>	<u><u>13,747</u></u>

	2021 (DKK '000)	2020 (DKK '000)
Note 6 – Corporation Tax		
Current tax for the year.	1,595	0
Change in deferred tax asset	0	(1,237)
Adjustment to prior years	1,489	(346)
	<u><u>3,084</u></u>	<u><u>(1,583)</u></u>

Note 7 – Proposed profit allocation

Retained earnings.	4,167	(4,040)
	<u><u>4,167</u></u>	<u><u>(4,040)</u></u>

2021
(DKK '000)**Note 8 – Prepayments**

Prepaid Expenses	9
Total Prepayments	<u>9</u>

Prepaid expenses consist primarily of phone service.

Note 9 - Contributed capital

The share capital consists of 125 shares of DKK 1,000 each. All shares rank equally.

Note 10 - Contractual obligations and contingencies

The company has no lease obligations due in subsequent period. (DKK 68 thousand in 2022)

Note 11 – Related Party disclosures**Controlling influence**

ZeroChaos Netherlands B.V. owns 100% of the shares in the Company.

ZeroChaos (Nordic) ApS is part of the consolidated financial statements of ZeroChaos Netherlands B.V., Beechavenue 54, 1119PW Schiphol-Rijk, Holland, and the consolidated financial statements of Workforce Logiq Parent, LLC, : 999 Stewart Avenue Suite 100 Bethpage, NY 11714, United States, which are the smallest and largest groups, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of ZeroChaos Netherlands B.V. can be obtained by contacting the companies at the above addresses.

Related party transactions

The Company's intercompany transactions has during the year been entered into at arm's length.

Note 12 – Fees to Auditor Appointed at the General Meeting

	2021 (DKK '000)	2020 (DKK '000)
Fee for statutory audit	150	139
Other services	28	0
Total	<u><u>178</u></u>	<u><u>139</u></u>

Note 13 – Events after the balance sheet date

No events have occurred after the balance sheet date.