

Zangenberg & Company ApS

Pilestræde 52 A, 4., 1112 København K

Company reg. no. 29 93 37 23

Annual report

1 July 2020 - 30 June 2021

The annual report was submitted and approved by the general meeting on the 27 September 2021.

Henrik Zangenberg
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report	2
Management commentary	
Company information	5
Management commentary	6
Financial statements 1 July 2020 - 30 June 2021	
Income statement	7
Statement of financial position	8
Statement of changes in equity	10
Notes	11
Accounting policies	13

Management's report

Today, the managing director has presented the annual report of Zangenberg & Company ApS for the financial year 1 July 2020 - 30 June 2021.

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

I consider the accounting policies appropriate and, in my opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 30 June 2021 and of the company's results of activities in the financial year 1 July 2020 – 30 June 2021.

I am of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

København K, 27 September 2021

Managing Director

Henrik Zangenberg

Independent auditor's report

To the shareholder of Zangenberg & Company ApS

Opinion

We have audited the financial statements of Zangenberg & Company ApS for the financial year 1 July 2020 - 30 June 2021, which comprise income statement, statement of financial position, statement of changes in equity, notes and accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 30 June 2021 and of the results of the company's activities for the financial year 1 July 2020 - 30 June 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

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 express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 27 September 2021

BUUS JENSEN

State Authorised Public Accountants
Company reg. no. 16 11 90 40

Christoffer Jensen

State Authorised Public Accountant
mne34277

Company information

The company

Zangenberg & Company ApS
Pilestræde 52 A, 4.
1112 København K

Web site www.zangenberg.biz

Company reg. no. 29 93 37 23

Established: 1 October 2006

Domicile:

Financial year: 1 July 2020 - 30 June 2021

Managing Director

Henrik Zangenberg

Auditors

BUUS JENSEN, Statsautoriserede revisorer

Lawyer

Homann - advokat Klaus Juel Rasmussen, Amagertorv 11, 1160
København K

Parent company

MH Zangenberg Holding ApS
Pilestræde 52 A, 4., 1112 København K

Management commentary

The principal activities of the company

Like previous years, the principal activities are...

Development in activities and financial matters

The gross profit for the year totals DKK against DKK last year. Income or loss from ordinary activities after tax totals DKK against DKK last year. Management considers the net profit or loss for the year satisfactory.

During the financial year we won a four year right together with a partner (Next Puzzle) to deliver a series of digitization courses to civil servants in central government. With the right followed an obligation to self-fund the development of the program. We invested more than one million DKK in that program, and we expect to recover that investment over the coming the year. The investment has been put in on the books as an expense in this fiscal year.

Also we decided to scale down on the pure strategy advisory services to focus more on our benchmarking and sourcing advisory business in the sister company Zangenberg Analytics. As part of that reorientation we decided to reduce the staff – also a cost we had to cover in this fiscal year.

The investment in the education program and the organizational adjustment is the main reason for the negative result. tekst.

Income statement 1 July - 30 June

All amounts in DKK.

<u>Note</u>	<u>2020/21</u>	<u>2019/20</u>
Gross profit	18.585.400	12.143.376
1 Staff costs	<u>-20.003.359</u>	<u>-11.862.099</u>
Operating profit	-1.417.959	281.277
2 Other financial costs	<u>-11.102</u>	<u>-98.803</u>
Pre-tax net profit or loss	-1.429.061	182.474
Tax on net profit or loss for the year	<u>296.736</u>	<u>-58.556</u>
Net profit or loss for the year	<u>-1.132.325</u>	<u>123.918</u>
Proposed appropriation of net profit:		
Transferred to retained earnings	0	123.918
Allocated from retained earnings	<u>-1.132.325</u>	<u>0</u>
Total allocations and transfers	<u>-1.132.325</u>	<u>123.918</u>

Statement of financial position at 30 June

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Trade receivables	600.288	737.663
Receivables from group enterprises	5.772.942	427.511
Deferred tax assets	0	1.056
Tax receivables from group enterprises	303.776	0
Other receivables	280.616	278.808
Prepayments and accrued income	58.333	46.309
Total receivables	<u>7.015.955</u>	<u>1.491.347</u>
Cash on hand and demand deposits	<u>614.201</u>	<u>2.299.085</u>
Total current assets	<u>7.630.156</u>	<u>3.790.432</u>
Total assets	<u>7.630.156</u>	<u>3.790.432</u>

Statement of financial position at 30 June

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity and liabilities		
Equity		
Contributed capital	125.000	125.000
Retained earnings	81.476	313.801
Total equity	<u>206.476</u>	<u>438.801</u>
Provisions		
Provisions for deferred tax	5.984	0
Total provisions	<u>5.984</u>	<u>0</u>
Liabilities other than provisions		
Trade payables	365.891	230.627
Payables to group enterprises	1.300.000	34.433
Income tax payable to group enterprises	0	50.160
Other payables	5.751.805	3.036.411
Total short term liabilities other than provisions	<u>7.417.696</u>	<u>3.351.631</u>
Total liabilities other than provisions	<u>7.417.696</u>	<u>3.351.631</u>
Total equity and liabilities	<u>7.630.156</u>	<u>3.790.432</u>

3 Contingencies

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 July 2019	125.000	189.883	314.883
Retained earnings for the year	0	123.918	123.918
Equity 1 July 2020	125.000	313.801	438.801
Retained earnings for the year	0	-1.132.325	-1.132.325
Adjustment 1	0	900.000	900.000
	125.000	81.476	206.476

Notes

All amounts in DKK.

	<u>2020/21</u>	<u>2019/20</u>
1. Staff costs		
Salaries and wages	18.179.058	10.319.249
Pension costs	1.736.838	1.432.474
Other costs for social security	<u>87.463</u>	<u>110.376</u>
	<u>20.003.359</u>	<u>11.862.099</u>
Average number of employees	<u>16</u>	<u>14</u>
2. Other financial costs		
Other financial costs	<u>11.102</u>	<u>98.803</u>
	<u>11.102</u>	<u>98.803</u>

3. Contingencies

Contingent liabilities

Lease liabilities

In addition to finance leases, the company has entered into operational leases with an average annual lease payment of DKK xx.000. The leases have 24 months to maturity and total outstanding lease payments total DKK xx.000.

Recourse guarantee commitments:

The company has guaranteed the bank loans of the group enterprises. On 1 March 1900, the total bank loans of the group enterprises totalled DKK xx.000.

Joint taxation

With MH Zangenberg Holding ApS, company reg. no 34054312 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Notes

All amounts in DKK.

3. Contingencies (continued)

Joint taxation (continued)

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

Accounting policies

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

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

Recognition and measurement in general

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

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

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

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

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

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Accounting policies

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

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

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

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

Staff costs

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

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

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

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Receivables

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

Accounting policies

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

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

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

Prepayments and accrued income

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

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Income tax and deferred tax

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

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Zangenberg & Company ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Accounting policies

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

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

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

Liabilities other than provisions

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