

# ROESGAARD

NÅR OVERBLIK SKABER VÆRDI

## CONWX ApS

Hauser Plads 10, 4.  
1127 København K

Central Business Registration No. 31 87 86 67

## Annual report for 2020/21

The Annual Report was presented and approved at the Annual General Meeting of the Company on 23/06 2022

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Jesper Thiesen  
Chairman

Når overblik  
samler brikkerne  
– og skaber værdi

REVISION RÅDGIVNING JURÅ  
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## Company details

### The company

CONWX ApS  
Hauser Plads 10, 4.  
1127 København K

CVR no.: 31 87 86 67  
Reporting period: 1 July 2020 - 31 December 2021  
Domicile: Copenhagen

### Board of Directors

Brian Beattie, Chairman  
Jesper Ulsted  
Claus Hovge Andersen

### Executive Board

Jesper Thiesen, CEO

### Auditors

Roesgaard  
Godkendt Revisionspartnerselskab  
Sønderbrogade 16  
8700 Horsens

## Statement by management on the annual report

The board of directors and executive board have today discussed and approved the annual report of CONWX ApS for the financial year 1 July 2020 - 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 company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 July 2020 - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report be approved by the company at the general meeting.

Copenhagen, 23 June 2022

### Executive Board

Jesper Thiesen  
CEO

### Board of Directors

Brian Beattie  
chairman

Jesper Ulsted

Claus Hovge Andersen

## Independent auditor's report

### To the shareholders of CONWX ApS

#### Opinion

We have audited the financial statements of CONWX ApS for the financial year 1 July 2020 - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 July 2020 - 31 December 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 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the 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 made on the basis of these financial statements.

## Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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 internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on management's review

Management is responsible for management's review.

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

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.

## Independent auditor's report

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

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

Horsens, 23 June 2022

### **Roesgaard**

Godkendt Revisionspartnerselskab  
CVR no. 37 54 31 28

Michael Mortensen  
State Authorised Public Accountant  
MNE no. mne34108

## **Management's review**

### **Business review**

The company's activities comprise developing, implementing and servicing business systems and apps.

### **Financial review**

The company's income statement for the year ended 31 December 2021 shows a profit of DKK 2,939,147, and the balance sheet at 31 December 2021 shows equity of DKK 3,908,058.

The result for the year is in line with the strategy and is considered satisfactory.

### **Significant events occurring after the end of the financial year**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.



## Accounting policies

The annual report of CONWX ApS for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The annual report for 2020/21 is presented in DKK.

Due to the restructuring of the financial year, this financial year comprises 18 months, while the comparative figures comprise 12 months.

### Changes in accounting policies

With effect from 1 January 2021, CONWX ApS has implemented IFRS 15 Revenue from contracts with customers.

IFRS 15 includes a number of transitional provisions that allow the standard not to be implemented retroactively. Using this method means that the accumulated effect of the implementation of IFRS 15 is recognised in the equity at the beginning of the year of transition and that comparative figures are not restated. When implementing IFRS 15 for the interpretation of the legal framework, it is also allowed to apply the more applicable relaxed rules of IFRS 15 under the law.

The IFRS 15 implementation has no accounting impact.

The accounting policies are otherwise consistent with those of last year.

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

## Accounting policies

### Income statement

#### Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue less costs of raw materials and consumables and other external expenses.

#### Revenue

Revenue from the sale of software and services is recognised in the income statement by reference to the stage of completion. Accordingly, revenue corresponds to the selling price of the work performed during the year (the percentage of completion method). Revenue is recognised when total income and expenses and the stage of completion of the contract at the balance sheet date can be reliably measured and when it is probable that the economic benefits, including payments, will flow to the company. Revenue is measured excluding VAT and taxes.

Revenue from sale of licenses is accrued over the agreement period.

#### Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

#### Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

#### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

#### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, currency exchange gains and losses on foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

## Accounting policies

### Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

### Balance sheet

#### Intangible assets

##### *Development projects*

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is five years.

#### Tangible assets

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

The depreciable amount is cost less the expected residual value at the end of the useful life.

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

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	5 years

The useful life and residual value are reassessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

## Accounting policies

### Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

### Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

### Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

### Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

## Accounting policies

### Equity

#### Reserve for development costs

An amount corresponding to capitalised development costs is recognised in the reserve. The reserve is reduced as development costs are amortised.

#### Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

#### Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

### Liabilities

Financial liabilities also include the capitalised residual finance lease commitment.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

#### Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

#### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate 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 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.

## Income statement 1 July 2020 - 31 December 2021

	<u>Note</u>	<u>2020/21</u> DKK	<u>2019/20</u> DKK
<b>Gross profit</b>		<b>15,217,146</b>	<b>10,072,309</b>
Staff costs	1	<u>(10,867,688)</u>	<u>(7,363,141)</u>
<b>Profit/loss before amortisation/depreciation and impairment losses</b>		<b>4,349,458</b>	<b>2,709,168</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>(529,749)</u>	<u>(289,287)</u>
<b>Profit/loss before net financials</b>		<b>3,819,709</b>	<b>2,419,881</b>
Financial income	2	34,747	21,263
Financial costs	3	<u>(82,983)</u>	<u>(42,141)</u>
<b>Profit/loss before tax</b>		<b>3,771,473</b>	<b>2,399,003</b>
Tax on profit/loss for the year	4	<u>(832,326)</u>	<u>(512,050)</u>
<b>Profit/loss for the year</b>		<b><u>2,939,147</u></b>	<b><u>1,886,953</u></b>
Distribution of profit	5		

## Balance sheet at 31 December 2021

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
<b>Assets</b>			
Completed development projects		564,271	1,081,937
<b>Intangible assets</b>	6	<u>564,271</u>	<u>1,081,937</u>
Other fixtures and fittings, tools and equipment		17,013	29,095
<b>Tangible assets</b>	7	<u>17,013</u>	<u>29,095</u>
Deposits		224,200	217,461
<b>Fixed asset investments</b>		<u>224,200</u>	<u>217,461</u>
<b>Total non-current assets</b>		<u>805,484</u>	<u>1,328,493</u>
Trade receivables		4,334,612	3,000,471
Contract work in progress	8	0	286,195
Receivables from subsidiaries		3,509,488	459,784
Other receivables		0	52,689
Prepayments		193,743	196,763
<b>Receivables</b>		<u>8,037,843</u>	<u>3,995,902</u>
<b>Cash at bank and in hand</b>		<u>574,650</u>	<u>2,816,076</u>
<b>Total current assets</b>		<u>8,612,493</u>	<u>6,811,978</u>
<b>Total assets</b>		<u>9,417,977</u>	<u>8,140,471</u>

## Balance sheet at 31 December 2021

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
<b>Equity and liabilities</b>			
Share capital		125,000	125,000
Reserve for development expenditure		440,131	843,911
Retained earnings		3,342,927	(1,178)
Proposed dividend for the year		0	1,950,000
<b>Equity</b>		<b><u>3,908,058</u></b>	<b><u>2,917,733</u></b>
Provision for deferred tax		119,799	234,067
<b>Total provisions</b>		<b><u>119,799</u></b>	<b><u>234,067</u></b>
Joint taxation contributions payable		0	501,160
Other payables		346,878	517,804
<b>Long-term debt</b>	9	<b><u>346,878</u></b>	<b><u>1,018,964</u></b>
Trade payables		372,931	535,565
Prepayments received recognised in debt	8	1,509,796	0
Payables to subsidiaries		135,122	0
Debt to credit institutions		124,362	90,419
Joint taxation contributions payable		395,760	360,743
Other payables		1,061,128	1,313,543
Deferred income		1,444,143	1,669,437
<b>Short-term debt</b>		<b><u>5,043,242</u></b>	<b><u>3,969,707</u></b>
<b>Total liabilities</b>		<b><u>5,390,120</u></b>	<b><u>4,988,671</u></b>
<b>Total equity and liabilities</b>		<b><u>9,417,977</u></b>	<b><u>8,140,471</u></b>
Contingent liabilities	10		



## Statement of changes in equity

	<b>Share capital</b>	<b>Reserve for development expenditure</b>	<b>Retained earnings</b>	<b>Proposed dividend for the year</b>	<b>Total</b>
Equity at 1 July 2020	125,000	843,911	(1,178)	1,950,000	2,917,733
Ordinary dividend paid	0	0	0	(1,948,822)	(1,948,822)
Transfers	0	0	1,178	(1,178)	0
Dissolution of previous years' revaluation	0	(403,780)	403,780	0	0
Net profit/loss for the year	0	0	2,939,147	0	2,939,147
<b>Equity at 31 December 2021</b>	<b>125,000</b>	<b>440,131</b>	<b>3,342,927</b>	<b>0</b>	<b>3,908,058</b>

## Notes to the annual report

	<u>2020/21</u>	<u>2019/20</u>
	DKK	DKK
<b>1 Staff costs</b>		
Wages and salaries	9,901,278	6,947,153
Pensions	848,894	642,064
Other social security costs	<u>117,516</u>	<u>96,380</u>
	<b>10,867,688</b>	<b>7,685,597</b>
Transfer to production wages	<u>0</u>	<u>(322,456)</u>
	<b>10,867,688</b>	<b>7,363,141</b>
Average number of employees	<u>12</u>	<u>13</u>
<b>2 Financial income</b>		
Interest received from subsidiaries	<u>34,747</u>	<u>21,263</u>
	<b>34,747</b>	<b>21,263</b>
<b>3 Financial costs</b>		
Other financial costs	17,458	6,915
Exchange loss	<u>65,525</u>	<u>35,226</u>
	<b>82,983</b>	<b>42,141</b>
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	946,594	501,160
Adjustment of deferred tax concerning previous years	<u>(114,268)</u>	<u>10,890</u>
	<b>832,326</b>	<b>512,050</b>

## Notes to the annual report

	<u>2020/21</u>	<u>2019/20</u>
	DKK	DKK
<b>5 Distribution of profit</b>		
Proposed dividend for the year	0	1,950,000
Retained earnings	<u>2,939,147</u>	<u>(63,047)</u>
	<b><u>2,939,147</u></b>	<b><u>1,886,953</u></b>
<b>6 Intangible assets</b>		
		<b><u>Completed development projects</u></b>
Cost at 1 July 2020		<u>1,906,286</u>
Cost at 31 December 2021		<u>1,906,286</u>
Revaluations at 31 December 2021		<u>0</u>
Impairment losses and amortisation at 1 July 2020		824,349
Amortisation for the year		<u>517,666</u>
Impairment losses and amortisation at 31 December 2021		<u>1,342,015</u>
<b>Carrying amount at 31 December 2021</b>		<b><u>564,271</u></b>

### Special assumptions regarding development projects and tax assets

Development projects consist of development of the company's software systems and algorithms for forecasts for renewable energy and weather forecasts. The projects contribute to CONWX ApS continuing to be among the leading providers of these services, and thus the future revenue and customer intake.

## Notes to the annual report

### 7 Tangible assets

	<b>Other fixtures and fittings, tools and equipment</b>
Cost at 1 July 2020	206,682
Disposals for the year	<u>(174,782)</u>
Cost at 31 December 2021	<u>31,900</u>
Impairment losses and depreciation at 1 July 2020	177,586
Depreciation for the year	12,083
Reversal of impairment and depreciation of disposals	<u>(174,782)</u>
Impairment losses and depreciation at 31 December 2021	<u>14,887</u>
<b>Carrying amount at 31 December 2021</b>	<b><u>17,013</u></b>

	<u>2021</u> DKK	<u>2020</u> DKK
<b>8 Contract work in progress</b>		
Work in progress, selling price	1,530,607	0
Work in progress, payments received on account	<u>(3,040,403)</u>	<u>286,195</u>
	<b><u>(1,509,796)</u></b>	<b><u>286,195</u></b>

### 9 Long-term debt

	<b>Debt at 1 July 2020</b>	<b>Debt at 31 December 2021</b>	<b>Instalment next year</b>	<b>Debt outstanding after 5 years</b>
Joint taxation contributions payable	501,160	0	0	0
Other payables	<u>517,804</u>	<u>346,878</u>	<u>0</u>	<u>0</u>
	<b><u>1,018,964</u></b>	<b><u>346,878</u></b>	<b><u>0</u></b>	<b><u>0</u></b>

## Notes to the annual report

### 10 Contingent liabilities

The company has a non-cancellation period rent obligation for 6 months. The obligation amounts to DKK 215 thousand.

#### **Contingent liabilities**

The company is jointly taxed with its parent company, Modaxo Europe A/S (management company), and is jointly and severally liable with other jointly taxed entities for Danish income taxes as well as for payment of withholding taxes on dividends, interest and royalties.