

ANNUAL REPORT

1. January - 31. December 2022

HINDENBURG SYSTEMS APS

**Knabrostræde 20 1
1210 Copenhagen**

**CVR-no. 32 35 93 37
13. Financial year**

The Annual Report has been presented and
approved by the Annual General Meeting
18. June 2023

Christian Linnemann Mottes
Chairman of the meeting

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Please note that Danish decimal and digit grouping symbols have been used in the Annual Report.

Company:

HINDENBURG SYSTEMS ApS
Knabrostræde 20 1
1210 Copenhagen

Executive Board:

Christian Linnemann Mottes
Preben Friis Simonsen
Nick Dunkerley

Auditor:

Lægård Revision
State Authorised Public Accountant
Østbanegade 123
2100 København Ø

Today the Board of Directors and the Executive Board presented the Annual Report for 2022 for HINDENBURG SYSTEMS ApS.

The Annual Report has been presented in accordance with the Danish Financial Statements Act.

We find the accounting policies applied appropriate, and the Annual Report therefore provides a true and fair view of the Company's assets, liabilities and equity, financial position and results of the company. In our opinion, the Management's Review includes a true and fair description of the matters mentioned in the review.

We recommend that the Annual Report be approved at the Annual General Meeting.

Copenhagen, 18. June 2023.

Executive Board:

Christian Linnemann Mottes

Preben Friis Simonsen

Nick Dunkerley

To the shareholders of HINDENBURG SYSTEMS ApS.

CONCLUSION

We have performed an extended review of the financial statements of HINDENBURG SYSTEMS ApS for the financial year 2022, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31. December 2022 and of the results of the Company's operations for the financial year 1. January - 31. December 2022 in accordance with the Danish Financial Statements Act.

Basis for conclusion:

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements:

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the 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.

Practitioner's responsibilities for the extended review of the financial statements:

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence

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

Statement on the Management's review

The management is responsible for the management's review.

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

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

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

Based on the work we have performed, we conclude that the 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 the Management's review.

Copenhagen, 18. June 2023.
Lægård Revision, CVR-No. 18 43 70 82
State Authorised Public Accountants

Jens Vadekær
State Authorised Public Accountant
MNE-No. mne33249

Principal activity:

The main activity of HINDENBURG SYSTEMS ApS is to develop and sell software and related products.

The annual report of HINDENBURG SYSTEMS ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act regarding reporting medium-sized class B enterprises.

The significant areas of the accounting policies, which are presented using the same policies as last year, are mentioned below.

GENERALLY REGARDING RECOGNITION AND MEASUREMENT

Income is recognised in the Income Statement as earned, including value adjustments of financial assets and liabilities. Likewise, all expenses including depreciation/amortisation, impairment losses, and reversals which are due to changes in estimated amounts previously recognised in the Income Statement, are 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 when the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that the future economic 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 recognised at cost. Subsequently, assets and liabilities are measured as described below for each item.

Allowances are made for predictable losses and risks that arise before the presentation of the Annual Report and that confirm or invalidate circumstances that existed at the balance sheet date.

The carrying value of the tangible fixed assets, are reviewed annually to determine, if there are any indication of impairment, besides what is determined as normal depreciation. If this is the case, the assets will be written down to its recoverable amount.

THE INCOME STATEMENT

Gross income:

Gross income comprises the net turnover, changes in inventories of finished goods, work performed for own purposes and capitalised, other operating income and external costs.

Revenue

Revenue is recognised less VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales:

Cost of sales includes costs incurred to achieve net sales for the year. Including direct and indirect costs for raw materials and consumables.

Other operating income:

Other operating income comprises items of a secondary activity, including profit on sale of intangible and tangible fixed assets.

Other external costs

Other external costs include costs relating to distribution, sale, advertising, administration, premises, loss on bad debts, operating lease expenses and similar expenses.

Staff costs:

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

Financials:

Financial income and expenses are recognised in the income statement, with the amounts concerning the financial year. Financials includes interest income and expenses.

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, whereas the portion attributable to entries on equity is recognised directly in equity.

ASSETS:**Intangible fixed assets:**

Development costs and internally earned rights are recognized in the income statement as costs in the acquisition year.

Development costs include expenses, salaries and amortisations, which are directly and indirectly attributable to development activities.

Development costs recognized in the balance sheet are measured at cost less accumulated amortisations and write-downs. After completion of the development, development costs are amortized on a straight-line basis over the estimated economic useful lives. The amortisation period is usually 5 years.

Profits and losses on the sale of intangible fixed assets are calculated as the difference between the selling price less selling costs and the carrying amount at the time of sale. Profits and losses are recognized in the income statement as other operating income or other operating expenses.

Tangible fixed assets:

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation.

The depreciable amount is cost less expected residual value after the end of the asset's life.

Cost includes the purchase price, as well as expenses directly attributable to the acquisition, up until the moment the asset is ready to be commissioned.

Tangible fixed assets - continued:

Assets are depreciated under the straight-line method over the expected useful lives and residual values of the assets.

	<u>Operating tim Scrap value</u>	
Other plants, fixtures and equipment	3 years	0%

Small assets are recognised as costs in the Income Statement in the year of acquisition.

Profits and losses arising from disposal of plant and equipment are stated as the difference between the selling price less the selling costs and the carrying amount of the asset at the time of the disposal. Profits and losses are recognised in the Income Statement under depreciation.

Receivables:

Receivables are measured at amortised cost which usually equals nominal value. In order to meet expected losses, write-down takes place at the net realisable value.

Securities:

Securities recognized under current assets are measured at fair value at the balance sheet date.

Cash funds:

Cash equivalents consist of bank deposits. Cash and cash equivalents are carried at fair value.

LIABILITIES:**Tax payable 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 taxes paid on account/prepaid.

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. In cases, e.g. in respect of shares in which the statement of the tax base can be made according to alternative taxation rules, deferred tax is measured on the basis of the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets including the tax value of tax loss carryforwards, are measured at the expected realisable value, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Any deferred net tax assets are measured at net realisable value.

Tax payable and deferred tax, continued:

Deferred tax is measured on the basis of the tax rules and tax rates in force at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities:

Liabilities concerning debts to suppliers and other debts are measured at amortised cost which usually corresponds to the nominal value.

Translation of foreign currency:

Transactions in foreign currencies are translated into a fixed average price. Exchange differences arising between the average price and the date of payment are recognized in the income statement as a financial income/expense. If currency transactions are considered future cash flow hedges, the value adjustments are recognized directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the financial reporting date are measured at the financial reporting date exchange rate. The difference between the exchange rate on the financial reporting date and the exchange rate at the time the receivable or payable are recognized, gets measured in the income statement under financial income and expenses.

Note	2022	2021
GROSS PROFIT	5.258.319	6.913.001
1 Staff costs	-4.279.221	-4.402.655
OPERATING PROFIT	979.098	2.510.346
Depreciation	-189.554	-65.382
PROFIT/LOSS BEFORE INTEREST & TAX	789.544	2.444.965
Financial income	207.746	249.142
Financial expenses	-522.788	-6.832
PROFIT/LOSS BEFORE TAX	474.502	2.687.275
Tax on profit for the year	-128.690	-605.271
PROFIT/LOSS AFTER TAX	345.812	2.082.004
PROPOSED DISTRIBUTION OF PROFIT		
Dividend for the year	30.000	60.000
Reserve for development costs	1.556.755	1.362.732
Retained earnings	-1.240.943	659.272
TOTAL DISTRIBUTION	345.812	2.082.004

BALANCE SHEET AS AT 31. DECEMBER 2022
ASSETS

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<u>Note</u>	<u>31/12 2022</u>	<u>31/12 2021</u>
Completed development projects, including concessions, patents, trademarks and similar rights that originate from development projects	3.742.932	1.747.092
INTANGIBLE ASSETS	3.742.932	1.747.092
Other fixtures and fittings, tools and equipment	0	3.894
TANGIBLE ASSETS	0	3.894
Other receivables	91.303	88.554
FINANCIAL ASSETS	91.303	88.554
NON-CURRENT ASSETS	3.834.235	1.839.540
Trade receivables	557.134	926.168
Receivable dividend from group enterprises	171	171
Short-term tax receivables	0	0
Deferred Tax	0	0
Other receivables	373.402	1.375.119
RECEIVABLES	930.707	2.301.458
2 SHORT-TERM INVESTMENTS	2.741.354	1.250.606
CASH AND CASH EQUIVALENTS	222.440	2.080.747
CURRENT ASSETS	3.894.500	5.632.811
TOTAL ASSETS	7.728.735	7.472.351

BALANCE SHEET AS AT 31. DECEMBER 2022
LIABILITIES

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<u>Note</u>	<u>31/12 2022</u>	<u>31/12 2021</u>
Contributed capital	166.667	166.667
Reserve for development costs	2.919.487	1.362.732
Retained earnings	930.183	2.171.127
Proposed dividend for the financial year	30.000	60.000
EQUITY	4.046.337	3.760.526
Provisions for deferred tax	338.600	382.500
PROVISIONS	338.600	382.500
3 Other long-term payables	166.748	167.082
LONG-TERM LIABILITIES OTHER THAN PROVISIO	166.748	167.082
Trade payables	129.928	12.195
Short-term tax payables	76.590	77.772
Other payables	772.700	1.119.342
Deferred income	2.197.832	1.952.934
SHORT-TERM LIABILITIES	3.177.050	3.162.243
LIABILITIES	3.343.798	3.329.326
LIABILITIES AND EQUITY	7.728.735	7.472.351

1	<u>Staff costs</u>	<u>2022</u>	<u>2021</u>
	Wages and salaries	3.705.815	3.776.837
	Pensions	477.466	543.833
	Other social security contributions	52.323	56.828
	Other employee costs	43.617	25.157
	<u>TOTAL</u>	<u>4.279.221</u>	<u>4.402.655</u>
	<u>Average number of employees</u>	<u>6</u>	<u>6</u>
2	<u>Fair value of listed securities</u>		<u>2022</u>
	Value in the end of the year		2.741.354
	Unrealized loss of the year presented in the income statement		-512.938
3	<u>Other long-term payables</u>	<u>2022</u>	<u>2021</u>
	<u>Repayments in next financial year</u>	<u>0</u>	<u>0</u>
	Debt to financial intitutes falling due more than 5 years after the balance sheet date	166.748	167.082

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Preben Friis Simonsen

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Christian Linnemann Mottes

Direktør og dirigent

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Nick Dunkerley

Direktør

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Jens Vadekær

Statsautoriseret revisor

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