

Kanda ApS

Mariane Thomsens gade 2F, 9. 1, 8000 Aarhus C
CVR no. 33 59 03 69

Annual report for 2021

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 17.06.22

Kristian Emil Andreasen
Dirigent



Company information etc.	3 - 4
Statement by the Executive Board and Board of Directors on the annual report	5
Independent auditor's report	6 - 8
Management's review	9
Income statement	10
Balance sheet	11 - 12
Statement of changes in equity	13
Notes	14 - 24

The company

Kanda ApS
Mariane Thomsens gade 2F, 9. 1
8000 Aarhus C
Tel.: 27 51 42 18
Registered office: Aarhus kommune
CVR no.: 33 59 03 69
Financial year: 01.01 - 31.12

Executive Board

Kristian Emil Andreasen

Board of Directors

Mik Henriksen
Robert Jacob Holm
Lars Toftgaard
Rune Hven-Jensen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Parent company

Kanda Holding ApS, Aarhus kommune

Subsidiarie

Kanda PTE. LTD., Singapore

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.21 - 31.12.21 for Kanda ApS.

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

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.21 and of the results of the company's activities for the financial year 01.01.21 - 31.12.21.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Aarhus, June 17, 2022

Executive Board

Kristian Emil Andreasen

Board of Directors

Mik Henriksen
Chairman

Robert Jacob Holm

Lars Toftgaard

Rune Hven-Jensen

To the capital owner of Kanda ApS**Opinion**

We have audited the financial statements of Kanda ApS for the financial year 01.01.21 - 31.12.21, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.21 and of the results of the company's operations for the financial year 01.01.21 - 31.12.21 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

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 "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 regarding the 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, 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 Acts. We did not identify any material misstatement of management's review.

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the 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 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 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.

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 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.

Aarhus, June 17, 2022

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Casper Jensby
State Authorized Public Accountant
MNE-no. mne36181

Lasse Glud Dybbøl
State Authorized Public Accountant
MNE-no. mne47767

Primary activities

The company's activities comprise of sales of technology and related consulting services.

Development in activities and financial affairs

The income statement for the period 01.01.21 - 31.12.21 shows a loss of DKK -5,156,114 against DKK 865,371 for the period 01.01.20 - 31.12.20. The balance sheet shows equity of DKK 1,801,790.

2021 has been a year where our focus has shifted from being a consultant company primarily centred around selling projects to focus on being a SaaS company.

As a result of this shift we have stopped several projects resulting in a reduced turnover during 2021 of a little under 1,7 million compared to 2020. This is fully in line with our plan of shifting those resources over to development of our own IP.

During the summer of 2021 we also secured an investment allowing us to further accelerate hiring and development of our IP resulting in the very low Gross profit. This is also in line with our plan and we are seeing significant growth and interest from customers in 2022 and onwards.

Subsequent events

The company has contributed additional capital of DKK 6,3 million through a cash capital increase in May 2022.

No other important events have occurred after the end of the financial year.

Income statement

Note		2021 DKK	2020 DKK
	Gross profit	3,125,429	7,604,190
3	Staff costs	-8,491,055	-6,491,005
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	-5,365,626	1,113,185
	Depreciation and impairments losses of property, plant and equipment	-173,643	-265,194
	Other operating expenses	-17,132	0
	Operating profit/loss	-5,556,401	847,991
4	Financial income	9,499	6,056
5	Financial expenses	-31,071	-154,977
	Profit/loss before tax	-5,577,973	699,070
	Tax on profit or loss for the year	421,859	166,301
	Profit/loss for the year	-5,156,114	865,371
	Proposed appropriation account		
	Retained earnings	-5,156,114	865,371
	Total	-5,156,114	865,371

ASSETS		31.12.21	31.12.20
		DKK	DKK
Note			
	Other fixtures and fittings, tools and equipment	221,047	263,546
	Total property, plant and equipment	221,047	263,546
	Equity investments in group enterprises	12,747	12,747
	Deposits	60,442	57,442
	Total investments	73,189	70,189
	Total non-current assets	294,236	333,735
6	Work in progress for third parties	0	135,422
	Trade receivables	1,264,057	1,988,458
	Receivables from group enterprises	217,491	230,684
	Income tax receivable	421,859	182,958
	Other receivables	168,757	679,045
	Prepayments	74,847	18,365
	Total receivables	2,147,011	3,234,932
	Cash	1,391,366	0
	Total current assets	3,538,377	3,234,932
	Total assets	3,832,613	3,568,667

EQUITY AND LIABILITIES		31.12.21	31.12.20
		DKK	DKK
Note			
	Share capital	102,231	80,000
	Retained earnings	1,699,559	-870,515
	Total equity	1,801,790	-790,515
	Other payables	0	416,922
	Total long-term payables	0	416,922
	Payables to other credit institutions	0	910,090
6	Prepayments received from work in progress for third parties	496,096	276,536
	Prepayments received from customers	317,975	64,540
	Trade payables	156,974	58,520
	Other payables	925,210	2,632,574
	Deferred income	134,568	0
	Total short-term payables	2,030,823	3,942,260
	Total payables	2,030,823	4,359,182
	Total equity and liabilities	3,832,613	3,568,667
7	Contingent liabilities		
8	Charges and security		

Statement of changes in equity

Figures in DKK	Share capital	Share premium	Reserve for development costs	Retained earnings	Total equity
Statement of changes in equity for 01.01.20 - 31.12.20					
Balance as at 01.01.20	80,000	0	587,847	-1,620,083	-952,236
Net effect of changed accounting policies	0	0	-587,847	-115,803	-703,650
Adjusted balance as at 01.01.20	80,000	0	0	-1,735,886	-1,655,886
Net profit/loss for the year	0	0	0	865,371	865,371
Balance as at 31.12.20	80,000	0	0	-870,515	-790,515
Statement of changes in equity for 01.01.21 - 31.12.21					
Balance as at 01.01.21	80,000	0	0	-870,515	-790,515
Capital increase	22,231	7,726,188	0	0	7,748,419
Transfers to/from other reserves	0	-7,726,188	0	7,726,188	0
Net profit/loss for the year	0	0	0	-5,156,114	-5,156,114
Balance as at 31.12.21	102,231	0	0	1,699,559	1,801,790

1. Subsequent events

The company has contributed additional capital of m.DKK 6,3 through a cash capital increase in May 2022.

No other important events have occurred after the end of the financial year.

2. Special items

Special items are income and expenses that are special due to their size and nature. The following special items were recorded in the financial year:

Special items:	Recognised in the income statement in:	2021 DKK	2020 DKK
Public grants	Other operating income	0	740,400
Gain on the disposal of intangible assets	Other operating income	0	350,000
Total		0	1,090,400

Government grants include grants from the COVID-19 support scheme for fixed costs and the wage compensation.

3. Staff costs

Wages and salaries	7,512,875	5,828,925
Pensions	541,042	445,596
Other social security costs	55,476	49,891
Other staff costs	381,662	166,593
Total	8,491,055	6,491,005
Average number of employees during the year	16	15

	2021	2020
	DKK	DKK

4. Financial income

Interest, group enterprises	1,730	0
Other financial income	7,769	6,056
Total	9,499	6,056

5. Financial expenses

Interest, group enterprises	0	3,180
Other financial expenses total	31,071	151,797
Total	31,071	154,977

6. Work in progress for third parties

Work in progress for third parties	47,819	3,698,907
On-account invoicing	-543,915	-3,840,021
Total work in progress for third parties	-496,096	-141,114

Work in progress for third parties is recognized in the balance sheet as:

Work in progress for third parties	0	135,422
Prepayments received from work in progress for third parties, short-term payables	-496,096	-276,536
Total	-496,096	-141,114

7. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 3 months and total lease payments of DKK 46k.

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

8. Charges and security

As security for debt to credit institutions of DKK 0k, a company charge has been provided comprising trade receivables nominal DKK 1,200k. The total carrying amount of the comprised assets is DKK 1,264k.

9. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

In accordance with section 110 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Change in accounting policies

The company has changed its accounting policies in the following areas:

Recognition of development costs in the income statement

Development projects are no longer recognised in the balance sheet. In future, development costs will be recognised in the income statement as incurred. The management believes that this will provide a fairer presentation as it follows the practice in the sector and the competitors. The comparative figures have been restated in accordance with the new accounting policy. The change in accounting policy has a negative impact of DKK 1,496k on the net loss after tax for 2021 (2020: DKK -67). As at 31.12.21, equity reduced by DKK 1,928k (2020: DKK -770k) and the balance sheet total is reduced by DKK 1,928k.(2020: DKK 832)

Except for the areas mentioned above, the accounting policies have been applied consistently with the previous 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 depreciation, amortisation, impairment losses and write-downs, 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 such assets 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 such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

9. Accounting policies - continued -

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

GRANTS

Grants are recognised when there is reasonable certainty that the grant conditions have been met and that the grant will be received.

Grants to cover expenses incurred are recognised on a proportionate basis in the income statement over the period in which the expenses eligible for grants are expensed. Grants are recognised under other operating income.

INCOME STATEMENT

Gross profit

Gross profit comprises revenue, other operating income and raw materials and consumables and other external expenses.

9. Accounting policies - continued -**Revenue**

Income from the sale of services is recognised in the income statement in line with completion of services, which means that revenue corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

9. Accounting policies - continued -

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful life, year	Residual value, per cent
Other plant, fixtures and fittings, tools and equipment	3-7	0

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

9. Accounting policies - continued -

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Property, plant and equipment

Property, plant and equipment comprise other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Equity investments in group enterprises

Equity investments in subsidiaries are measured in the balance sheet at cost less any impairment losses. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

9. Accounting policies - continued -

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

If dividends are distributed on equity investments in subsidiaries exceeding the year earnings from the enterprise in question, this is considered an indication of impairment.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Work in progress for third parties

Work in progress for third parties is measured at the selling price of the work performed less on-account invoicing made for each piece of work in progress.

9. Accounting policies - continued -

The selling price is measured according to the stage of completion at the balance sheet date and total expected income from each piece of work in progress. The degree of completion for each piece of work in progress is normally calculated as the ratio between the resources spent and the total budgeted resource consumption. For some work in progress where the resource consumption cannot be used as a basis, the ratio between completed subactivities and the combined subactivities for the individual piece of work in progress is used instead. When the selling price of a piece of work in progress cannot be determined reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual piece of work in progress is recognised under receivables or payables in the balance sheet depending on whether the net value of the selling price less prepayments received is positive or negative.

When it is likely that the total costs of the individual piece of work in progress will exceed total sales income, the total expected loss is recognised as a provision.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

9. Accounting policies - continued -

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.