

AREA9 INVEST ApS

Galionsvej 37

1437 København K

CVR No. 34489335

Annual Report 2023

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 5 July 2024

Jakob Juul Christensen
Chairman



AREA9 INVEST ApS

Contents

Management's Statement	3
Independent Auditors' Report	4
Company Information	7
Management's Review	8
Key Figures and Financial Ratios	9
Income Statement	10
Balance Sheet	11
Statement of changes in Equity	14
Cash Flow Statement	15
Notes	16
Accounting Policies	24

AREA9 INVEST ApS

Management's Statement

Today, the Supervisory Board and the Executive Board have considered and adopted the Annual Report of AREA9 INVEST ApS for the financial year 1 January 2023 - 31 December 2023.

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

In our opinion, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Group's and the Company's operations and the Group's cash flows for the financial year 1 January 2023 - 31 December 2023.

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

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

Copenhagen, 5 July 2024

Executive Board

Asger Kunuk Alstrup Palm
Manager

Board of Directors

Ulrik Juul Christensen

Tommy Olesen

Chaudhri Khurram Jamil

Asger Kunuk Alstrup Palm

Independent Auditors' Report

To the shareholders of AREA9 INVEST ApS

Opinion

We have audited the consolidated financial statements and the financial statements of AREA9 INVEST ApS for the financial year 1 January 2023 - 31 December 2023, which comprise an income statement, balance sheet, statement of changes in equity, cash flows and notes. The consolidated financial statements and the financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2023 and of the results of its operations and cash flows for the financial year 1 January 2023 - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the "Auditors' responsibility for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group 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 statement 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.

Management's responsibility for the financial statements

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

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the parent 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 consolidated financial statements and the financial statements unless Management either intends to either liquidate the Group and the parent company or suspend operations, or has no realistic alternative but to do so.

Independent Auditors' Report

The auditor's responsibility for the audit of the consolidated financial statements and the financial statements

Our responsibility is to obtain reasonable assurance as to whether the consolidated financial statements and the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these consolidated financial statements and financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- *Identify and assess the risk of material misstatements in the consolidated financial statements and 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- *Conclude on whether Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could cast significant doubt on the Group's and 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Group and the Company can no longer remain a going concern.
- *Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the consolidated financial statements and the financial statements reflect 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 which we identify during our audit.

Independent Auditors' Report

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the consolidated financial statements and the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements and the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the consolidated financial statements and the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Ringsted, 5 July 2024

Sønderup I/S

Statsautoriserede Revisor

CVR-no. 31824559

Tom Sønderup

State Authorised Public Accountant

mne10489

AREA9 INVEST ApS

Company details

Company	AREA9 INVEST ApS Galionsvej 37 1437 København K
Telephone	33110090
E-mail	accounting@area9.dk
CVR No.	34489335
Date of formation	30 April 2012
Financial year	1 January 2023 - 31 December 2023
Board of Directors	Ulrik Juul Christensen Tommy Olesen Chaudhri Khurram Jamil Asger Kunuk Alstrup Palm, Manager
Executive Board	Asger Kunuk Alstrup Palm
Group companies	Area9 Technologies ApS, Denmark Area9 Innovation ApS, Denmark Area9 C604 ApS, Denmark Area9 Lyceum ApS, Denmark Area9 Innovation Inc., USA Area9 Inc., USA Area9 W126 Inc., USA Area9 Challenger Inc., USA
Auditors	Sønderup I/S Statsautoriserede Revisorer Jyllandsgade 9 4100 Ringsted CVR-no.: 31824559

Management's Review

The Group's principal activities

The company's activities include e-learning software platform licensing and services that provides remote, personalized adaptive learning to the corporate, K-12, Higher Education and government industries.

Development in activities and the financial situation

The group has continued the development of existing products that are currently being rolled out for clients and partners in corporate and classic education. The company continues to invest in development of new products and commercialization of the current products and has therefore brought in additional investors to support the continued growth. Based on the feedback from the market and clients, there are positive expectations for both the existing products, the products to be released in the coming years and the markets relevant to the company in general.

Licensing and sale of Area9 Rhapsode licenses has continued in the period. The company's management believes that the company has a strong liquidity preparedness that can form the basis for the future expected growth. Management expects a positive development and growth for the coming financial year.

The Group's Income Statement of the financial year 1 January 2023 - 31 December 2023 shows a result of DKK -52,163,678 and the Balance Sheet of the Group at 31 December 2023 a balance sheet total of DKK 309,815,456 and an equity of DKK 79,389,524.

Expectations for the future

In 2024 the management will strive to realize continuing high growth by investing into both the organization but also the development of software. The management expect a minor loss in 2024 but the company has a strong financial position.

Knowledge and know-how resources

The company's key asset is its employees, and the core team of the company combined with our R&D teams is important to ensure we maintain our market position.

Risks

The Company's financial result and equity were effected by currency risk mainly related to changes in USD and interest rate movements.

Environmental conditions

The group have a small footprint, but this is an area that we actively are working to reduce, including sourcing our hosting from providers that are carbon neutral or based on renewable energy.

Research and development activities

Development of additional features and functionalities to our Area9 Rhapsode™ platform.

Branches abroad

The group has no branches.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the Company substantially.

Net profit/loss for the year compared with expected developments in the most recently published annual report

Results are overall in line with expected developments during the year.

AREA9 INVEST ApS

Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:

Key figures are in DKK thousands.

	2023	2022	2021	2020/21
Group				
Income Statement:				
Gross profit	108,732	73,581	38,636	35,696
Operating Profit (EBIT)	-37,071	-69,562	-36,186	-48,579
Profit before tax	-49,467	-66,266	-33,534	-60,675
Profit for the year	-52,164	-36,188	-34,899	-46,940
Balance Sheet:				
Assets	309,815	335,327	361,549	386,767
Investments in fixed assets	194,700	198,957	10,346	18,624
Equity	79,389	117,753	192,288	226,292
Financial Ratios:				
Return on equity (%)	-35.4	-22.51	-16.67	-22.43
Return on investments (%) (ROI)	-8.9	-8.24	-7.68	-12.04
Equity ratio (%)	46.9	69.57	113.61	141.01
Average number of employees	211	239	259	207
Parent				
Income Statement:				
Gross profit	-218	-227	-221	-292
Operating Profit (EBIT)	-218	-227	-221	-292
Profit before tax	-39,654	-51,142	-25,391	-42,205
Profit for the year	-39,654	-53,419	-27,323	-41,620
Balance Sheet:				
Assets	214,549	193,347	246,618	277,840
Investments in fixed assets	5,125	16,080	0	2,663
Equity	84,506	113,431	170,486	198,972
Financial Ratios:				
Return on equity (%)	-27.61	-17.81	-14.79	-22.53
Return on investments (%) (ROI)	4.81	4.46	3.74	2.36
Equity ratio (%)	119.53	160.45	241.15	264.81
Average number of employees	0	0	0	0

AREA9 INVEST ApS

Income Statement

		Group		Parent	
	Note	2023	2022	2023	2022
		kr.	kr.	kr.	kr.
Gross profit		108,732,430	73,580,826	-218,007	-226,889
Staff cost	1	-123,083,579	-124,019,268	0	0
Depreciation and impairment	2	-20,295,387	-18,880,059	0	0
Other operating expenses		-2,424,876	-243,801	0	0
Profit from ordinary operating activities		-37,071,412	-69,562,302	-218,007	-226,889
Income from investments in group companies		0	0	-42,575,901	-61,489,127
Other finance income	3	1,667,836	7,162,334	7,946,065	12,309,217
Finance expenses	4	-14,063,610	-3,865,851	-4,820,705	-1,735,994
Profit before tax		-49,467,186	-66,265,819	-39,668,549	-51,142,793
Tax expense on ordinary activities		-2,696,492	-2,922,031	-22,239	-2,276,296
Loss	5	-52,163,678	-69,187,850	-39,690,788	-53,419,089

AREA9 INVEST ApS

Balance Sheet as of 31 December

	Note	Group 2023 kr.	2022 kr.	Parent 2023 kr.	2022 kr.
Assets					
Completed development projects	6	128,653,896	128,548,797	0	0
Acquired intangible assets		640,000	800,000	0	0
Intangible assets		129,293,896	129,348,797	0	0
Properties	7	22,408,506	24,138,189	0	0
Fixtures, fittings, tools and equipment	8	4,739,881	4,990,454	2,433,682	2,433,682
Leasehold improvements	9	6,893,235	7,334,890	0	0
Planes	10	31,205,823	31,964,810	0	0
Tangible assets		65,247,445	68,428,343	2,433,682	2,433,682
Investments in group companies	11, 12	0	0	2,691,762	13,646,683
Deposits		0	1,010,532	0	0
Fixed assets		0	1,010,532	2,691,762	13,646,683
Fixed assets		194,541,341	198,787,672	5,125,444	16,080,365

AREA9 INVEST ApS

Balance Sheet as of 31 December

	Note	Group 2023 kr.	2022 kr.	Parent 2023 kr.	2022 kr.
Manufactured goods and goods for resale		6,295,086	6,779,816	0	0
Inventories		6,295,086	6,779,816	0	0
Trade receivables		36,341,371	52,333,879	0	0
Receivables from group companies		0	0	205,852,230	175,008,187
Current deferred tax	13, 14	42,077,286	46,763,083	0	0
Other receivables		9,859,636	6,015,565	0	0
Deferred income	15	8,898,942	8,952,842	0	0
Receivables		97,177,235	114,065,369	205,852,230	175,008,187
Other investments		1,396,341	1,810,486	1,396,341	1,810,486
Short-term investments		1,396,341	1,810,486	1,396,341	1,810,486
Cash and cash equivalents		10,405,453	13,883,546	2,160,902	448,128
Current assets		115,274,115	136,539,217	209,409,472	177,266,801
Assets		309,815,456	335,326,889	214,534,916	193,347,166

AREA9 INVEST ApS

Balance Sheet as of 31 December

	Note	Group 2023 kr.	2022 kr.	Parent 2023 kr.	2022 kr.
Liabilities and equity					
Contributed capital		1,200,000	1,200,000	1,200,000	1,200,000
Reserve for net revaluation according to equity method		0	0	10,730,142	-3,635,729
Reserve for development expenditure		100,350,040	100,268,062	0	0
Retained earnings		-19,188,742	11,666,459	72,539,934	115,866,452
Minority interests		-2,971,774	4,618,237	0	0
Equity		79,389,524	117,752,758	84,470,076	113,430,723
Provisions for deferred tax	16	446,451	0	468,691	446,452
Provisions for investments in group companies		0	0	6,880,840	6,880,840
Provisions		446,451	0	7,349,531	7,327,292
Mortgage debt		36,502,616	38,140,254	0	0
Other credit institutions		27,367,618	20,370,364	0	0
Payables to participating interests		118,881,641	68,333,830	118,881,640	68,762,983
Long-term liabilities	17	182,751,875	126,844,448	118,881,640	68,762,983
Short-term part of long-term liabilities		0	20,624,761	0	0
Other credit institutions		2,304,632	16,687,999	0	0
Prepayments received from customers		25,320,138	18,841,935	0	0
Trade payables		4,077,230	24,983,396	45,000	37,500
Tax payables		0	0	3,788,668	3,788,668
Other payables		15,525,606	9,591,592	0	0
Short-term liabilities		47,227,606	90,729,683	3,833,668	3,826,168
Liabilities		229,979,481	217,574,131	122,715,308	72,589,151
Liabilities and equity		309,815,456	335,326,889	214,534,916	193,347,166
Significant events occurring after end of reporting period	18				
Contingent assets	19				
Collaterals and assets pledged as security	20				
Related parties	21				

AREA9 INVEST ApS

Statement of changes in Equity

Parent

	Contributed capital	Retained earnings	Reserve for net re- valuation ac- cording to equity method	Total
Equity 1 January 2023	1,200,000	112,230,722	0	113,430,722
Change of investments through net exchange differences	0	1,044,307	0	1,044,307
Value adjustments of equity	0	0	9,685,835	9,685,835
Equity transfers to reserves		9,685,835	-9,685,835	0
Profit (loss)	0	-39,690,787	0	-39,690,787
Equity 31 December 2023	1,200,000	83,270,077	0	84,470,077

Parent

Group

	Share capital	Reverse for Development interests	Retained earnings	Minority interests	Reserve for net re- valuation ac- cording to equity method	Total
Equity 1 January 2023	1,200,000	100,268,062	11,666,459	4,618,237	0	117,752,758
Change of investments through net exchange differences	0	0	4,114,610	0	0	4,114,610
Value adjustments of equity	0	0	0	0	9,685,835	9,685,835
Equity transfers to reserves	0	0	9,685,835	0	-9,685,835	0
Profit (loss)	0	81,978	-44,655,646	-7,590,011	0	-52,163,679
Equity 31 December 2023	1,200,000	100,350,040	-19,188,742	-2,971,774	0	79,389,524

AREA9 INVEST ApS

Cash Flow Statement

	2023	2022
	kr.	kr.
Profit	-52,163,679	-69,187,851
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets	20,295,387	18,880,059
Decrease (increase) in inventories	484,730	-335,018
Decrease (increase) in receivables	12,562,582	-37,873,769
Decrease (increase) in trade payables	-8,493,849	31,004,483
Cash flow from ordinary operating activities	-27,314,829	-57,512,096
Income taxes paid		2,922,031
Cash flows from operating activities	-27,314,829	-54,590,065
Purchase of intangible assets	-17,100,000	-17,900,000
Purchase of property, plant and equipment	-262,707	-2,924,200
Cash flows from investing activities	-17,362,707	-20,824,200
Repayment of other long-term payables	49,793,497	-9,054,787
Raising of debt to credit institutions	-12,347,456	28,159,812
Cash flows from financing activities	37,446,041	19,105,025
Net increase (decrease) in cash and cash equivalents	-7,231,495	-56,309,240
Cash and cash equivalents, beginning balance	13,883,546	67,498,333
Exchange rate adjustments	3,753,402	2,694,453
Cash and cash equivalents, ending balance	10,405,453	13,883,546

AREA9 INVEST ApS

Notes

	Group		Parent	
	2023	2022	2023	2022
1. Staff cost				
Wages and salaries	113,534,278	115,548,962	0	0
Post-employment benefit expense	4,531,441	3,978,131	0	0
Social security contributions	5,017,860	4,492,175	0	0
	123,083,579	124,019,268	0	0
Average number of employees	211	239	0	0
2. Depreciation, and impairment of fixed assets				
Depreciation fixed assets	20,295,387	18,880,059	0	0
	20,295,387	18,880,059	0	0
3. Other finance income				
Other finance income	1,667,836	7,162,334	59,549	4,744,708
Interest income, intercompany loan	0	0	7,886,515	7,564,509
	1,667,836	7,162,334	7,946,064	12,309,217
4. Finance expenses				
Other finance expenses	14,063,610	3,865,851	3,023,142	4,640
Finance expenses to group companies	0	0	1,797,562	1,730,888
	14,063,610	3,865,851	4,820,704	1,735,528
5. Proposed distribution of results				
Reserve for net revaluation of investment assets	81,978	1,415,778	0	0
Minority interests	-7,590,011	-18,913,191	0	0
Retained earnings	-44,655,646	-51,690,437	-39,690,788	-53,419,089
	-52,163,679	-69,187,850	-39,690,788	-53,419,089

AREA9 INVEST ApS

Notes

	Group		Parent	
	2023	2022	2023	2022
6. Completed development projects				
Cost at the beginning of the year	169,106,437	152,006,437	0	0
Addition during the year, incl. improvements	17,100,000	17,100,000	0	0
Cost at the end of the year	186,206,437	169,106,437	0	0
Depreciation and amortisation at the beginning of the year	-40,557,640	-25,272,739	0	0
Amortisation for the year	-16,994,901	-15,284,901	0	0
Impairment losses and amortisation at the end of the year	-57,552,541	-40,557,640	0	0
Carrying amount at the end of the year	128,653,896	128,548,797	0	0
7. Properties				
Cost at the beginning of the year	35,481,526	33,559,327	0	0
Change due to a foreign currency translation adjustment	-682,435	1,922,199	0	0
Cost at the end of the year	34,799,091	35,481,526	0	0
Depreciation and amortisation at the beginning of the year	-11,343,337	-9,478,596	0	0
Change due to foreign currency translation adjustment	218,173	-574,503	0	0
Amortisation for the year	-1,265,421	-1,290,238	0	0
Impairment losses and amortisation at the end of the year	-12,390,585	-11,343,337	0	0
Carrying amount at the end of the year	22,408,506	24,138,189	0	0

Notes

	Group		Parent	
	2023	2022	2023	2022
8. Fixtures, fittings, tools and equipment				
Cost at the beginning of the year	17,860,920	18,266,799	2,433,682	2,433,682
Change due to a foreign currency translation adjustment	-309,229	864,232	0	0
Addition during the year, incl. improvements	154,665	264,974	0	0
Disposal during the year	0	-1,535,085	0	0
Cost at the end of the year	17,706,356	17,860,920	2,433,682	2,433,682
Depreciation and amortisation at the beginning of the year	-12,870,466	-11,845,130	0	0
Change due to foreign currency translation adjustment	395,289	-653,965	0	0
Amortisation for the year	-491,298	-535,937	0	0
Reversal of impairment losses and amortisation of disposed assets	0	164,566	0	0
Impairment losses and amortisation at the end of the year	-12,966,475	-12,870,466	0	0
Carrying amount at the end of the year	4,739,881	4,990,454	2,433,682	2,433,682

AREA9 INVEST ApS

Notes

	Group		Parent	
	2023	2022	2023	2022
9. Leasehold improvements				
Cost at the beginning of the year	14,353,388	13,616,361	0	0
Change due to a foreign currency translation adjustment	-238,388	737,027	0	0
Addition during the year, incl. improvements	108,042	0	0	0
Cost at the end of the year	14,223,042	14,353,388	0	0
Depreciation and amortisation at the beginning of the year	-7,018,498	-6,322,858	0	0
Change due to foreign currency translation adjustment	95,970	-300,070	0	0
Amortisation for the year	-407,279	-395,570	0	0
Impairment losses and amortisation at the end of the year	-7,329,807	-7,018,498	0	0
Carrying amount at the end of the year	6,893,235	7,334,890	0	0
10. Planes				
Cost at the beginning of the year	47,158,222	47,158,222	0	0
Cost at the end of the year	47,158,222	47,158,222	0	0
Depreciation and amortisation at the beginning of the year	-15,193,412	-14,434,425	0	0
Amortisation for the year	-758,987	-758,987	0	0
Impairment losses and amortisation at the end of the year	-15,952,399	-15,193,412	0	0
Carrying amount at the end of the year	31,205,823	31,964,810	0	0

AREA9 INVEST ApS

Notes

	Parent	
	2023	2022
11. Investments in group enterprises		
Cost at the beginning of the year	10,118,200	10,746,077
Change due to a foreign currency translation adjustment		0
Addition during the year, incl. improvements	0	3,123
Disposal during the year	0	-631,000
Cost at the end of the year	10,117,798	10,118,200
Revaluations at the beginning of the year	3,528,483	46,986,846
Change due to a foreign currency translation adjustment	1,044,709	-3,635,729
Revaluations for the year	-42,575,901	-62,022,447
Share premium	9,685,835	1,058,751
Provisions for investments in group companies	20,890,838	21,141,062
Revaluations at the end of the year	-7,426,036	3,528,483
Carrying amount at the end of the year	2,691,762	13,646,683

12. Financial fixed assets

Parent

Group companies

Name	Registered office	Share held in %	Equity	Profit
Area9 Technologies ApS	Denmark	100.00	-34,160,343	-2,710,279
Area9 Innovation ApS	Denmark	100.00	-16,289,867	-3,713,864
Area9 C604 ApS	Denmark	100.00	-13,340,816	-2,379,724
Area9 Lyceum ApS	Denmark	70.40	-10,550,752	-39,553,051
Area9 Innovation Inc	USA	100.00	-18,316,543	-663,092
Area9 Inc.	USA	100.00	2,529,104	99,787
Area9 W126 Inc.	USA	100.00	-52,101,582	-5,359,425
Area9 Challenger Inc.	USA	100.00	162,658	0
			-142,068,141	-54,279,648

Notes

13. Long-term receivables

Long-term receivables consist of deferred tax that is expected to fall due after 1 year and before 5 years.

	Group		Parent	
	2023	2022	2023	2022
14. Deferred Tax				
Deferred tax, start	46,763,084	51,599,357	0	0
This years adjustment of deferred tax	-4,685,798	-4,836,273	0	0
Deferred tax at the end of the year	42,077,286	46,763,084	0	0

15. Prepayments

Prepaid items	8,898,942	8,952,842	0	0
Balance at the end of the year	8,898,942	8,952,842	0	0

	Parent	
	2023	2022
16. Provisions for deferred tax		
Deferred tax, start	446,452	416,800
Deferred tax	22,239	29,652
Balance at the end of the year	468,691	446,452

17. Long-term liabilities

Group	Due after 1 year	Due within 1 year	Due after 5 years
Mortgage debt	36,502,616	883,325	32,969,316
Other credit institutions	27,367,618	1,382,642	20,454,408
Payables to participating interests	118,881,641	0	118,881,640
	182,751,875	2,265,967	172,305,364

Moderselskab

	Due after 1 year	Due within 1 year	Due after 5 years
Payables to participating interests	118,881,640	0	118,881,640
	118,881,640	0	118,881,640

Notes

18. Significant events occurring after end of reporting period

No events of material significance to the company's financials have occurred after the end of the financial year position.

19. Contingent assets

The group has entered into leases with an annual rent cost of TDKK 1.975. Within the contracts there is a clause that between 6 and 12 months notice is required prior to termination of the lease.

The organisation has expressed that it wishes to provide liquidity to its subsidiaries, only for the necessary functions for continued operations. The statement is given to the next financial reporting period.

The company is liable for the total tax of jointly taxed Danish companies.

The organisation has expressed that it wishes to provide liquidity to its subsidiaries, only for the necessary functions for continued operations. The statement is given to the next financial reporting period.

20. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

21. Related parties

The company's related parties include the following:

Decisive influence:

Asger Kunuk Alstrup Palm
Frederiksberg, Denmark

Ulrik Juul Christensen
Massachusetts, USA

Tommy Højfeld Olesen
Denmark

Chaudhri Khurram Jamil
Hellerup, Denmark

Group Companies:
Area9 Labs ApS
Copenhagen, Denmark

Area9 Learning ApS,
Copenhagen, Denmark

Area9 Lyceum ApS
Copenhagen, Denmark

Area9 Lyceum Inc.
Massachusetts, USA

Area9 Lyceum Ltd.
London, England

AREA9 INVEST ApS

Notes

Area9 Lyceum GmbH
Germany

Area9 Excellence Center Europe Oü
Vaarika tee, Estonia

Area9 Technologies ApS
Copenhagen, Denmark

Area9 Innovation ApS,
Copenhagen, Denmark

Area9 C604 ApS,
Copenhagen, Denmark

Area9 Challenger Inc.
Massachusetts, USA

Area9 W126 Inc.
Massachusetts, USA

Area9 Innovation Inc.
Massachusetts, USA

Area9 Inc.
Massachusetts, USA

Transactions:

Transactions with group companies bear interest on market terms.

Trading with group companies is done on market terms.

AREA9 INVEST ApS

Accounting Policies

Reporting Class

The Annual Report of AREA9 INVEST ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Company has changed the financial year. Reporting date is now 31 December 2021. The reorientation of the financial year is due to adjustment to the Group's financial year. The comparative figures in the annual report covers a 12 month period while the current annual report is for a 7 month period.

Reporting currency

The Annual Report is presented in Danish kroner.

Consolidated Financial Statements

The Consolidated Financial Statements comprise the parent company AREA9 INVEST ApS and subsidiaries in which AREA9 INVEST ApS directly or indirectly holds more than 50% of the voting rights or in other ways has control. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant but not controlling influence are considered associates, cf. Group chart.

For the consolidation, intercompany income and costs, shareholdings, intercompany balances and dividends as well as realised and unrealised profit and loss are eliminated in connection with transactions between the consolidated enterprises.

Equity investments in subsidiaries are eliminated by the proportionate share of the subsidiaries' market value of net assets and liabilities at the time of acquisition.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Enterprises sold or liquidated are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not corrected for enterprises newly acquired, sold or liquidated.

Minority Interests

Items of the subsidiaries are recognised in the Consolidated Financial Statements by 100%. The minority interests' proportionate share of the subsidiaries results, and equity is adjusted annually and are recognised as separate items under Income Statement and Balance Sheet.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

AREA9 INVEST ApS

Accounting Policies

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of revenue, cost of sales, other external expenses, other operating costs and other operating income.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Income from delivery of services is recognised on a straight-line basis in net sales, as the service is delivered.

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc. The item is deducted from refunds from public authorities.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Completed development projects	10 years	0%
Properties	28 years	0%
Other fixtures and fittings, tools and equipment	3-10 years	0%
Leasehold improvements	5-7 years	0%

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

AREA9 INVEST ApS

Accounting Policies

Other operating expenses

Other operating expenses comprise items of a secondary nature to the activities of the enterprises, including loss on sale of intangible and tangible assets.

Result of equity investments in subsidiaries

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the parent company's Income Statement after full elimination of intercompany profit/loss.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Tax on net profit/loss for the year

The parent company is subjected to the Danish rules on compulsory joint taxation of the group's Danish subsidiaries. Subsidiaries are included in the joint taxation from the time when they are included in the consolidation in the Consolidated Financial Statement until they leave the consolidation.

The parent company is the administration company of the joint taxation and therefore settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is distributed by settling the joint taxation contributions between the jointly taxed enterprises in proportion to their taxable income. In this connection, enterprises with tax losses receive joint taxation contributions from enterprises that have been able to use these losses to reduce their own tax profit.

Tax for the year which comprises the current corporation tax for the year and any changes in deferred tax, including as a consequence of a change to the tax rate, is recognised by the part attributable to the profit/loss for the year and directly in equity by the part attributable to items directly in equity.

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity. The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Intangible assets

Clearly defined and identifiable development projects where the technical rate of utilisation, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the Income Statement as they incur.

Development costs comprise costs, including wages, salaries and amortisation, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

Capitalised development costs are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortisation and the recoverable amount.

AREA9 INVEST ApS

Accounting Policies

Tangible assets

Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Equity investments in group enterprises and participating interest

Equity investments in participating interest are measured at cost. Dividends that exceed accumulated earnings of the participating interest during the ownership period are treated as a reduction of the cost. If cost exceeds the net realisable value, a write-down to this lower value will be performed.

Investments in group companies are recognised in the balance sheet at the proportionate share of the equity value of the enterprises, calculated according to the parents accounting policies with the deduction or addition of unrealised intercompany profits or losses and with the addition or deduction of the remaining value of positive or negative goodwill, calculated according to the purchase method.

Subsidiaries having a negative equity value are recognised at kr. 0, and any amounts receivable from those enterprises are written down by the parents share of the negative equity value to the extent that the amounts are deemed to be uncollectible.

If the negative equity value exceeds receivables, the remaining amount is recognised as a provision to the extent that the parent has a legal or constructive obligation to cover the negative balance of the relevant subsidiary.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables

Accrued income

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Development cost reserve

Development cost reserve includes recognised development costs. The reserve is not available for the payment of dividends or losses. The reserve is deducted or dissolved by depreciation of the recognised costs or abandonment of the activity. Such reduction or dissolution is made by means of a transfer to distributable reserves.

AREA9 INVEST ApS

Accounting Policies

Fair value reserve

In the fair value reserve in the consolidated financial statements, the change in the exchange rate for the year is recognized by translating foreign subsidiaries and associates at the exchange rate on the balance sheet date and the change in the value of hedging instruments for the year.

The fair value reserve in the parent company recognizes the year's change in value adjustment of hedging instruments. Exchange rate changes on translation of foreign subsidiaries and associates are recognized in net reserves according to the equity method.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities

The company are jointly and severally liable as the administration company for subsidiaries corporate taxes to the tax authorities.

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

Other payables

Other payables are measured at amortised cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

AREA9 INVEST ApS

Accounting Policies

Accounting policies Cash Flow Statement

The Cash Flow Statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flow from the operating activity is determined as the profit/loss for the year adjusted for changes in working capital and non-cash income statement items such as amortisation and impairment losses and provisions. The working capital comprises current assets less short-term liabilities, exclusive of the items that are included in cash and cash equivalents.

Cash flow from the investing activity comprises cash flows from purchase and sale of intangible, tangible and investments.

Cash flow from the financing activity comprises cash flows from raising and repaying long-term liabilities and payments to and from the owners.

Cash flow from the operating activity is determined as the profit/loss for the year adjusted for changes in working capital and non-cash income statement items such as amortisation and impairment losses and provisions. The working capital comprises current assets less short-term liabilities, exclusive of the items that are included in cash and cash equivalents.

Cash flow from the investing activity comprises cash flows from purchase and sale of intangible, tangible and investments.

Cash flow from the financing activity comprises cash flows from raising and repaying long-term liabilities and payments to and from the owners.

Explanation of financial ratios

Key figures and financial ratios are determined based on "Recommendations & Financial Ratios" issued by the Danish Society of Financial Analysts.

Return on equity (%)	=	$\frac{\text{Profit/loss for the year X 100}}{\text{Avg. equity}}$
Return on investments (ROI) (%)	=	$\frac{(\text{Operating profit} + \text{Financial income}) \text{ X 100}}{\text{Avg. assets}}$
Equity interest (equity ratio) (%)	=	$\frac{\text{Total equity X 100}}{\text{Total liabilities}}$

In addition, the Company has decided to follow the class C rules on cash flow statement.