

cVation A/S


Lautrupsgade 7, 3., 2100 København Ø

CVR no. 35 63 31 62

Annual report 2022

Approved at the Company's annual general meeting on 3 March 2023

Chair of the meeting:

DocuSigned by:

Christian Peter Jean Møller

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of cVation A/S for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.


Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 3 March 2023
Executive Board:

DocuSigned by:

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Christian Peter Jean Møller

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Nicolai Graff Andersen

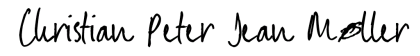
Board of Directors:

DocuSigned by:

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Ulrich Peter Bannmüller
Chair

DocuSigned by:

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Gerald Jenner

DocuSigned by:

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Christian Peter Jean Møller

Independent auditor's report

To the shareholders of cVation A/S

Opinion

We have audited the financial statements of cVation A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company 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 opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- ▶ 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

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 audit 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 audit, 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 Statement Act. We did not identify any material misstatement of the Management's review.

Odense, 3 March 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid
State Authorised Public Accountant
mne31450

Management's review

Company details

Name	cVation A/S
Address, Postal code, City	Lautrupsgade 7, 3., 2100 København Ø
CVR no.	35 63 31 62
Established	6 January 2014
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Ulrich Peter Bannmüller, Chair Gerald Jenner Christian Peter Jean Møller
Executive Board	Christian Peter Jean Møller Nicolai Graff Andersen
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

Management's review

Business review

The objective of the Company is development, operation and sales of IT based services and related business.

Financial review

The income statement for 2022 shows a profit of DKK 25,147 thousand against a profit of DKK 5,472 last year, and the balance sheet at 31 December 2022 shows equity of DKK 23,440 thousand.

Financial statements 1 January - 31 December**Income statement**

Note	DKK	2022	2021
	Revenue	103,894,352	86,319,521
	Cost of sales	-2,647,255	-8,587,800
	External expenses	-11,167,996	-11,878,145
	Gross profit	90,079,101	65,853,576
3	Staff costs	-55,860,373	-58,536,852
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,593,979	-2,875,654
	Profit before net financials	32,624,749	4,441,070
	Income from investments in group entities	0	6,190,777
	Financial income	94,836	24,913
	Financial expenses	-420,267	-2,090,781
	Profit before tax	32,299,318	8,565,979
4	Tax for the year	-7,152,643	-3,093,871
	Profit for the year	25,146,675	5,472,108
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	9,660,000	0
	Extraordinary dividend distributed in the year	11,160,000	0
	Other statutory reserves	-4,030,346	0
	Other reserves	0	143,908
	Retained earnings	8,357,021	5,328,200
		25,146,675	5,472,108

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2022	2021
	ASSETS		
	Fixed assets		
5	Intangible assets		
	Development projects	334,211	1,723,109
		<u>334,211</u>	<u>1,723,109</u>
6	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	155,857	298,528
	Leasehold improvements	166,310	210,220
		<u>322,167</u>	<u>508,748</u>
7	Investments		
	Deposits	1,110,229	1,168,718
		<u>1,110,229</u>	<u>1,168,718</u>
	Total fixed assets	<u>1,766,607</u>	<u>3,400,575</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	11,002,721	16,361,490
	Work in progress	425,200	805,162
	Receivables from group enterprises	912,461	0
	Other receivables	0	73,400
	Prepayments	458,618	435,513
		<u>12,799,000</u>	<u>17,675,565</u>
	Cash	<u>28,162,027</u>	<u>14,592,611</u>
	Total non-fixed assets	<u>40,961,027</u>	<u>32,268,176</u>
	TOTAL ASSETS	<u><u>42,727,634</u></u>	<u><u>35,668,751</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2022	2021
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	500,000	500,000
	Reserve for development costs	260,685	1,631,841
	Reserve for exchange rate adjustments	0	2,659,190
	Retained earnings	13,019,327	4,662,306
	Dividend proposed for the year	9,660,000	0
	Total equity	23,440,012	9,453,337
	Provisions		
	Deferred tax	28,664	365,393
	Total provisions	28,664	365,393
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Bank debt	129,908	7,352,523
	Trade payables	1,737,906	689,364
	Income taxes payable	6,511,372	3,552,461
8	Other payables	7,934,417	9,906,842
	Deferred income	2,945,355	4,348,831
		19,258,958	25,850,021
	Total liabilities other than provisions	19,258,958	25,850,021
	TOTAL EQUITY AND LIABILITIES	42,727,634	35,668,751

- 1 Accounting policies
- 2 Events after the balance sheet date
- 9 Contractual obligations and contingencies, etc.
- 10 Collateral
- 11 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Reserve for development costs	Reserve for exchange rate adjustments	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2021	500,000	1,487,933	2,659,190	-665,894	0	3,981,229
Transfer through appropriation of profit	0	143,908	0	5,328,200	0	5,472,108
Equity at 1 January 2022	500,000	1,631,841	2,659,190	4,662,306	0	9,453,337
Transfer through appropriation of profit	0	-1,371,156	0	8,357,021	9,660,000	16,645,865
Exchange adjustment	0	0	-2,659,190	0	0	-2,659,190
Equity at 31 December 2022	500,000	260,685	0	13,019,327	9,660,000	23,440,012

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of cVation A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Development projects	5 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	10 years

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Intangible assets

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Investments in subsidiaries, associates and participating interests

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity investments in subsidiaries, associates and participating interests are measured according to the equity method.

On initial recognition, equity investments in subsidiaries, associates and participating interests are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries, associates and participating interests measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment.

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

Work in progress

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 January - 31 December**Notes to the financial statements****2 Events after the balance sheet date**

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

DKK	<u>2022</u>	<u>2021</u>
3 Staff costs		
Wages/salaries	53,537,878	56,485,365
Pensions	1,806,437	1,606,243
Other social security costs	516,058	445,244
	<u>55,860,373</u>	<u>58,536,852</u>
Average number of full-time employees	<u>67</u>	<u>62</u>
4 Tax for the year		
Estimated tax charge for the year	7,489,372	3,552,461
Deferred tax adjustments in the year	-336,729	-602,813
Tax adjustments, prior years	0	144,223
	<u>7,152,643</u>	<u>3,093,871</u>

5 Intangible assets

DKK	<u>Development projects</u>
Cost at 1 January 2022	13,373,243
Cost at 31 December 2022	13,373,243
Impairment losses and amortisation at 1 January 2022	11,650,134
Amortisation/depreciation in the year	1,388,898
Impairment losses and amortisation at 31 December 2022	13,039,032
Carrying amount at 31 December 2022	<u>334,211</u>
Amortised over	<u>5 years</u>

Development projects

Development projects comprise of development cost for new technology and products. The recognition of the development projects has been made on the basis of the sales forecast which are to realised. Management expects significant growth and sales within few years.

Management has not indicated further need for impairment.

Financial statements 1 January - 31 December**Notes to the financial statements****6 Property, plant and equipment**

DKK	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2022	889,950	327,453	1,217,403
Additions in the year	0	18,500	18,500
Cost at 31 December 2022	889,950	345,953	1,235,903
Impairment losses and depreciation at 1 January 2022	591,422	117,233	708,655
Amortisation/depreciation in the year	142,671	62,410	205,081
Impairment losses and depreciation at 31 December 2022	734,093	179,643	913,736
Carrying amount at 31 December 2022	155,857	166,310	322,167
Depreciated over	3-5 years	10 years	

7 Investments

DKK	Deposits
Cost at 1 January 2022	1,168,718
Disposals in the year	-58,489
Cost at 31 December 2022	1,110,229
Carrying amount at 31 December 2022	1,110,229

8 Other payables

Other payables consists of salary related debt and VAT.

9 Contractual obligations and contingencies, etc.**Other financial obligations**

Rent and lease liabilities include a rent and lease obligation totalling t.DKK 3,317 with remaining contract terms of 2-34 month.

10 Collateral

As security for the Company's debt to banks, the Company has provided security for a total amount of t.DKK 3,000.

11 Related parties**Related party transactions**

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Søren Smedegaard Hvid

EY Signer

På vegne af: EY Godkendt Revisionspartnerselskab

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