
ComplyCloud ApS

Borgergade 24B, 3, DK-1300 Copenhagen K

Annual Report for 1 January - 31 December 2021

CVR No 35 81 37 64

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
19/5 2022

Martin Folke Vasehus
Chairman of the General
Meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	7
Balance Sheet 31 December	8
Statement of Changes in Equity	10
Notes to the Financial Statements	11

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of ComplyCloud ApS for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

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

Copenhagen K, 19 May 2022

Executive Board

Martin Folke Vasehus
CEO

Board of Directors

Peter Granild Colsted
Chairman

Henrik Katholm Udsen

Peter Mühlendorph Egehoved

Torben Kjær

Jakob Brebbia Dirksen

Independent Auditor's Report

To the Shareholders of ComplyCloud ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of ComplyCloud ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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 on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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 misstate-

Independent Auditor's Report

ment, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

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

Independent Auditor's Report

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.

Hellerup, 19 May 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Niels Henrik B. Mikkelsen
State Authorised Public Accountant
mne16675

Martin Birch
State Authorised Public Accountant
mne42825

Company Information

The Company

ComplyCloud ApS
Borgergade 24B, 3
DK-1300 Copenhagen K

CVR No: 35 81 37 64
Financial period: 1 January - 31 December
Municipality of reg. office: Copenhagen

Board of Directors

Peter Granild Colsted, Chairman
Henrik Katholm Udsen
Peter Mühlendorph Egehoved
Torben Kjær
Jakob Brebbia Dirksen

Executive Board

Martin Folke Vasehus

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

The Company's main activity is to conduct business with web-based software solutions and thus related business at the discretion of the Board of Directors.

Development in the year

The income statement of the Company for 2021 shows a loss of DKK 2,382,178, and at 31 December 2021 the balance sheet of the Company shows equity of DKK 9,190,748.

The deficit on the company's income statement is due, among other things, to the fact that a significant part of the company's license revenue must be accrued to 2022 and can therefore not be recognized in the result for 2021, and that the company has also increased costs for development and further development of the company's SaaS. On this basis and under the circumstances in general, the result is considered acceptable.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Gross profit/loss		14.975.427	6.130.977
Staff expenses	1	-16.416.786	-6.207.003
Resultat før afskrivninger		-1.441.359	-76.026
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-2.125.539	-869.777
Profit/loss before financial income and expenses		-3.566.898	-945.803
Financial expenses		-202.791	-51.156
Profit/loss before tax		-3.769.689	-996.959
Tax on profit/loss for the year	2	1.387.511	586.435
Net profit/loss for the year		-2.382.178	-410.524

Distribution of profit

Proposed distribution of profit

Transfer for the year to other reserves	3.328.684	5.048.926
Retained earnings	-5.710.862	-5.459.450
	-2.382.178	-410.524

Balance Sheet 31 December

Assets

	Note	2021 DKK	2020 DKK
Completed development projects		10.740.526	6.472.982
Development projects in progress		0	0
Intangible assets	3	10.740.526	6.472.982
Other fixtures and fittings, tools and equipment		154.679	8.898
Property, plant and equipment	4	154.679	8.898
Deposits		249.219	126.030
Fixed asset investments		249.219	126.030
Fixed assets		11.144.424	6.607.910
Trade receivables		2.384.734	889.988
Other receivables		0	485.539
Deferred tax asset		90.106	17.568
Corporation tax		1.708.144	393.171
Prepayments		49.690	33.128
Receivables		4.232.674	1.819.394
Cash at bank and in hand		8.993.354	2.893.675
Currents assets		13.226.028	4.713.069
Assets		24.370.452	11.320.979

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		57.980	54.675
Reserve for development costs		8.377.610	5.048.926
Retained earnings		755.158	-3.530.675
Equity		9.190.748	1.572.926
Other payables		3.400.079	1.961.829
Deferred income		60.739	0
Long-term debt	5	3.460.818	1.961.829
Trade payables		1.728.951	393.452
Other payables	5	3.230.092	2.661.263
Deferred income	5	6.759.843	4.731.509
Short-term debt		11.718.886	7.786.224
Debt		15.179.704	9.748.053
Liabilities and equity		24.370.452	11.320.979
Contingent assets, liabilities and other financial obligations	6		
Accounting Policies	7		

Statement of Changes in Equity

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	54.675	0	5.048.926	-3.530.675	1.572.926
Cash capital increase	3.305	9.996.695	0	0	10.000.000
Development costs for the year	0	0	3.328.684	0	3.328.684
Net profit/loss for the year	0	0	0	-5.710.862	-5.710.862
Transfer from share premium account	0	-9.996.695	0	9.996.695	0
Equity at 31 December	57.980	0	8.377.610	755.158	9.190.748

Notes to the Financial Statements

	2021 DKK	2020 DKK
1 Staff expenses		
Wages and salaries	15.239.246	5.994.613
Pensions	651.198	30.636
Other social security expenses	202.261	68.995
Other staff expenses	324.081	112.759
	16.416.786	6.207.003
 Average number of employees	 31	 11
 2 Tax on profit/loss for the year		
Current tax for the year	-1.314.973	-393.171
Deferred tax for the year	-72.538	-84.050
Adjustment of deferred tax concerning previous years	0	-109.214
	-1.387.511	-586.435

Notes to the Financial Statements

3 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost at 1 January	7.364.561	0
Additions for the year	0	6.367.821
Transfers for the year	6.367.821	-6.367.821
Cost at 31 December	13.732.382	0
Impairment losses and amortisation at 1 January	891.579	0
Amortisation for the year	2.100.277	0
Impairment losses and amortisation at 31 December	2.991.856	0
Carrying amount at 31 December	10.740.526	0

Amortised over

5 years

Our development projects relate to the development of software which is the foundation of our product. The development projects are divided into infrastructural projects, developments projects, development of new features and not least UX-related projects. Our projects run continuously and are divided into sprints, according to the SCRUM method. The projects in 2021 have been completed and updated in operation. The projects have progressed satisfactorily, with the resources that have been available. Our software supports our entire business model, which we sell in a subscription-based form. This secures both existing and future cash flows into the company.

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost at 1 January	22.242
Additions for the year	171.047
Cost at 31 December	193.289
Impairment losses and depreciation at 1 January	13.344
Depreciation for the year	25.266
Impairment losses and depreciation at 31 December	38.610
Carrying amount at 31 December	154.679

Notes to the Financial Statements

4 Property, plant and equipment (continued)

5 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2021 DKK	2020 DKK
Other payables		
Between 1 and 5 years	3.400.079	1.961.829
Long-term part	3.400.079	1.961.829
Other short-term payables	3.230.092	2.661.263
	6.630.171	4.623.092
Deferred income		
Between 1 and 5 years	60.739	0
Long-term part	60.739	0
Within 1 year	0	0
Other deferred income	6.759.843	4.731.509
	6.820.582	4.731.509
	2021 DKK	2020 DKK
6 Contingent assets, liabilities and other financial obligations		
Rental and lease obligations	3.030.000	135.000

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Dotlaw Holding ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

As security for other debt, the Company has given a corporate mortgage of TDKK 5,000. The corporate mortgage includes development projects, operating assets and receivables from sales.

Notes to the Financial Statements

7 Accounting Policies

The Annual Report of ComplyCloud ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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 flow to the Company, and the value of the asset can be measured reliably.

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Notes to the Financial Statements

7 Accounting Policies (continued)

Development projects

Work performed for own account and capitalized under assets includes consumption of goods, wages and salaries and other internal costs incurred during the year and recognized in the cost price of internally processed intangible fixed assets.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets, other operating income and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes to the Financial Statements

7 Accounting Policies (continued)

Balance Sheet

Intangible assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 5 years.

Development projects and costs relating to rights developed by the Company are capitalized in the balance sheet the year of acquisition and development. The development projects are amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5	years
--	---	-------

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Notes to the Financial Statements

7 Accounting Policies (continued)

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.