



Eikonice ApS

Roskildevej 16
4030 Tune
CVR no. 36 08 29 09

Annual report for 2023

Adopted at the annual general
meeting on 29 May 2024

Jørgen Bødker
chairman

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Statement by management on the annual report

The Board of Directors and executive board have today discussed and approved the annual report of Eikonice ApS for the financial year 1 January - 31 December 2023.

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 company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Tune, 29 May 2024

Executive board

Jørgen Bødker
CEO

Board of Directors

Jørgen Bødker

Susanne Lund

Per Henrik Askestad

Independent auditor's report

To the shareholders of Eikonice ApS

Opinion

We have audited the financial statements of Eikonice ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 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 are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

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.

Independent auditor's report

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Roskilde, 29 May 2024

Boreco
Statsautoriseret revisionspartnerselskab
CVR no. 36 07 49 81

Simon Daniel Elvemand
State Authorized Public Accountant
mne45890

Company details

The company

Eikonice ApS
Roskildevej 16
4030 Tune

CVR no.: 36 08 29 09

Reporting period: 1 January - 31 December 2023

Incorporated: 5 September 2014

Financial year: 9th financial year

Domicile: Roskilde

Board of Directors

Jørgen Bødker
Susanne Lund
Per Henrik Askestad

Executive board

Jørgen Bødker, CEO

Auditors

Boreco
Statsautoriseret revisionspartnerselskab
Vindingevej 10
4000 Roskilde

Management's review

Business review

The objective of the company is to develop, produce and sell services enabling companies to organize, automate and manage the entire workflow for photographic portraits.

Eikonice is a services provider within the photographic market in a Software as a Service model, with a potential of becoming a marketplace. Our history goes back to 2015 where our Mesterskud business was operating as a school photographer in Denmark. Now, +10 millions portraits later we provide a scalable AI-driven platform for hassle free handling of employee portraits in large organisations.

Portraits taken by mobile phone or by a professional photographer are automatically uploaded to eikonice cloud based platform enabling companies to easily manage their portraits across all geographical locations in compliance with GDPR. The portraits are instantly processed according to visual guidelines of the company and delivered to the company systems and to the employees use for LinkedIn.

Services from Eikonice are provided to organizations and companies as a SaaS solution, either as stand-alone or integrated company systems for Marketing, HR and Facility Management. In addition to the workflow management, photographic services are offered in cooperation with professional photographers.

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

Unusual matters

The company's financial position at 31 December 2023 and the results of its operations for the financial year ended 31 December 2023 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31 December 2023 shows a profit of DKK 21,607, and the balance sheet at 31 December 2023 shows equity of DKK 773,481.

With a focus on optimizing our product market fit, we have in 2023 continued to grow our business with our customers in the B2B market and we have continued our partnership with one of the largest school photographers in Denmark which has driven a volume of more than 7 mill portraits of more than 80.000 persons.

High customer loyalty has been achieved with a customer retention rate of more than 95%. It proofs Eikonice's capabilities to efficiently produce large volume of high quality portraits in a scalable and robust way. Further to the productivity gain, the photographer experienced significant higher satisfaction among their customers.

Management's review

Significant events occurring after the end of the financial year

An ongoing dispute with the Danish tax authorities related to the tax year 2016, 2017 and 2018 was finalized in The National Tax Tribunal in the beginning of 2024 with a positive result for the company as the company's use of Tax credit scheme was confirmed. Being able to put that case behind us is expected to have enormous significance for the company, as it in reality means - that Eikonice will be able to start a scale-up process.

Expected development of the company, including specific prerequisites and uncertainties

The accelerated transition to digital platforms, increases the need for updated and well represented portraits of people as they are the "first impression" of the organization external and internal.

How to attract talents will be a top priority for many companies. A strong company brand together with happy employees, recognizing their company as a "great place to work" will be strong assets. The employee portrait is involving everybody in the organisation and visualize the company values for their customers and employees. It is time for a paradigm shift that will change the way companies work with corporate portraits.

Growth of revenue from the SaaS platform and added services is expected to support investments ensuring the overall growth of the company's activities in the coming years.

Accounting policies

The annual report of Eikonice ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

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

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and work in progress and other operating income less raw materials and consumables and other external expenses.

Revenue

Income is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Accounting policies

Capitalised work performed for own account

Capitalised work performed for own account comprises staff costs and other costs incurred in the financial year and recognized in cost for proprietary intangible assets.

Other operating income

The item Other operating income includes items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment, operating losses, indemnities relating to operating losses and conflicts as well as payroll refunds. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

Other external costs

Other external costs include expenses related to distribution, sales, advertising, administration, premises, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation 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. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, etc.

Balance sheet

Intangible assets

Development projects, patents and licences

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years.

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 is impaired, an impairment loss for that individual asset is recognised.

Accounting policies

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, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Income statement 1 January - 31 December

	Note	2023 DKK	2022 DKK
Gross profit		592,216	753,926
Staff costs	2	<u>-234,820</u>	<u>-279,197</u>
Profit/loss before amortisation/depreciation and impairment losses		357,396	474,729
Depreciation, amortisation and impairment losses of intangible assets, plant and equipment		<u>-352,742</u>	<u>-198,764</u>
Profit/loss before net financials		4,654	275,965
Financial income		0	46
Financial expenses		<u>-3,193</u>	<u>-4,916</u>
Profit/loss before tax		1,461	271,095
Tax on profit/loss for the year	3	<u>20,146</u>	<u>0</u>
Profit/loss for the year		<u>21,607</u>	<u>271,095</u>
 Recommended appropriation of profit/loss			
Retained earnings		<u>21,607</u>	<u>271,095</u>
		<u>21,607</u>	<u>271,095</u>

Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Assets			
Completed development projects		810,815	747,717
Intangible assets	4	<u>810,815</u>	<u>747,717</u>
Total non-current assets		<u>810,815</u>	<u>747,717</u>
Trade receivables		26,508	9,545
Other receivables		152,095	0
Corporation tax		363,735	343,589
Prepayments		12,237	0
Receivables		<u>554,575</u>	<u>353,134</u>
Cash at bank and in hand		<u>123,268</u>	<u>236,146</u>
Total current assets		<u>677,843</u>	<u>589,280</u>
Total assets		<u><u>1,488,658</u></u>	<u><u>1,336,997</u></u>

Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Equity and liabilities			
Share capital		205,273	205,273
Reserve for development expenditure		632,436	583,219
Retained earnings		<u>-64,228</u>	<u>-36,618</u>
Equity		<u>773,481</u>	<u>751,874</u>
Banks		0	299
Trade payables		233,729	120,653
Other payables		327,019	334,642
Deferred income		<u>154,429</u>	<u>129,529</u>
Total current liabilities		<u>715,177</u>	<u>585,123</u>
Total liabilities		<u>715,177</u>	<u>585,123</u>
Total equity and liabilities		<u><u>1,488,658</u></u>	<u><u>1,336,997</u></u>
Share-based payments	5		
Rent and lease liabilities	6		
Contingent liabilities	7		

Statement of changes in equity

	Share capital	Reserve for development expenditure	Retained earnings	Total
Equity at 1 January 2023	205,273	583,219	-36,618	751,874
Transfers, reserves	0	49,217	-49,217	0
Net profit/loss for the year	0	0	21,607	21,607
Equity at 31 December 2023	205,273	632,436	-64,228	773,481

Notes

	2023 DKK	2022 DKK
1 Other Income		
Grants from the innovation Fund	0	478,935
	0	478,935
2 Staff costs		
Wages and salaries	635,036	659,380
Other social security costs	1,231	2,840
Other staff costs	14,393	18,245
	650,660	680,465
Transfer to development projects	-415,840	-401,268
	234,820	279,197
Number of fulltime employees on average	1	1
3 Tax on profit/loss for the year		
Current tax for the year	-20,146	0
	-20,146	0

Notes

4 Intangible assets

	Completed development projects
Cost at 1 January 2023	7,113,979
Additions for the year	415,840
Cost at 31 December 2023	7,529,819
Impairment losses and amortisation at 1 January 2023	6,366,262
Depreciation for the year	352,742
Impairment losses and amortisation at 31 December 2023	6,719,004
Carrying amount at 31 December 2023	810,815

Special assumptions regarding development projects and tax assets

The company's development projects consist of the development of a web-app and systems for online processing of portraits based on AI. The development projects are considered completed and depreciated in accordance with accounting policies, which are also the expected useful life.

New capitalizations are characterized as a new product or as a new feature. The user has access to upgrades and new functionalities during the contract period.

The cost for maintenance and support of the platform is expensed in the P&L.

In connection with the preparation of the financial statements, Management has considered whether indications for impairment exist related to the Company's development projects. Management has assessed that the historical profit/loss and increasing revenue for the Company constitutes no impairment indicator.

5 Share-based payments

According to the articles of association, the board is authorized to approve the grant of warrants. The board is authorized to grant a total of 18,923 warrants. As at 31.12.2023, 16,050 warrants have been awarded, why further 2,873 warrants can be granted. The granted warrants have an exercise price of DKK 1. The allocated warrants at 31 December 2023 all have been exercised.

Notes

	<u>2023</u> DKK	<u>2022</u> DKK
6 Rent and lease liabilities		
Rent liabilities, 3-month period of interminability	11,567	21,926
7 Contingent liabilities		
The company has no contingent liabilities.		