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BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
DK-1561 København V
CVR no. 20 22 26 70

COPENHAGEN OPTIMIZATION APS

KLERKEGADE 19 3., 1308 COPENHAGEN K

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2021

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 31 May 2022

Jens Wittrup Willumsen

CVR NO. 36 41 41 03

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COMPANY DETAILS

Company	COPENHAGEN OPTIMIZATION ApS Klerkegade 19 3. 1308 Copenhagen K	
	CVR No.:	36 41 41 03
	Established:	21 October 2014
	Municipality:	Copenhagen
	Financial Year:	1 January - 31 December
Board of Directors	Jens Wittrup Willumsen, chairman Michael Holm Kræn Østergård Nielsen Kasper Dybkjær Hounsgaard Anders Høeg Dohn	
Executive Board	Kasper Dybkjær Hounsgaard Anders Høeg Dohn	
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V	
Bank	Sydbank Sdr. Jernbanevej 18C 3400 Hillerød	
Law Firm	Homann Advokater Amagertorv 11 1160 Copenhagen K	

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of COPENHAGEN OPTIMIZATION ApS for the financial year 1 January - 31 December 2021.

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

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

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 31 May 2022

Executive Board

Kasper Dybkjær Hounsgaard	Anders Høeg Dohn

Board of Directors

Jens Wittrup Willumsen Chairman	Michael Holm	Kræn Østergård Nielsen
Kasper Dybkjær Hounsgaard	Anders Høeg Dohn	

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of COPENHAGEN OPTIMIZATION ApS

Opinion
We have audited the Financial Statements of COPENHAGEN OPTIMIZATION ApS for the financial year 1 January - 31 December 2021, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant 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 assets, liabilities and 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.

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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 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 judgment and maintain professional skepticism throughout the audit. We also:

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

INDEPENDENT AUDITOR'S REPORT

- 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 Commentary
Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary 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 Commentary.

Copenhagen, 31 May 2022

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Mads Juul Hansen
State Authorised Public Accountant
MNE no. mne44386

MANAGEMENT COMMENTARY

Principal activities
Similar to previous years, the company's main activities have mainly consisted of software sales, and software development and thereto associated consultancy services and other activities.

The company operates predominantly in aviation, where assignments primarily concern planning, data analysis and management consulting. The software development is focused on a product portfolio, which collectively is entitled Better Airport®. Better Airport® is a solution for planning and execution in all the operational areas of an airport.

Unusual matters
The company's management has found that due to an accounting error in the annual report for 2020, there was an incorrect accrual of the company's received EU grants, seen in connection with the company's incurred costs. The accounting error has no impact on the eligibility of the grant, nor does it have any impact on the payment schedule of the grant. The error is solely around the accruals and the correction necessary will be neutralized over time when the development costs are amortized.

Reference is also made to the description under accounting policies, including a description of the impact on the annual report of the change resulting from material misstatement.

Development in activities and financial and economic position
The income statement for 2021 results in a deficit of DKK 1,160 thousand against a profit of DKK 2,524 thousand last year, and the balance sheet on 31 December 2021 shows equity of DKK 8,441 thousand. We are currently investing heavily in the growth of the company and in the expansion to new markets, which significantly improves the basis for large profits in the future. As a consequence, a small deficit was expected. Therefore, management considers the result to be satisfactory.

Since the founding of the company in 2014, the company has seen a stable development in the revenue. In 2020 and 2021, this development stagnated due to the crisis caused by COVID-19. The aviation industry has been severely impacted by the crisis and this has also impacted our clients' purchasing power and propensity to invest. While most of the aviation industry has suffered from dramatic declines in revenue as a consequence of COVID-19, the software sales have continued to grow and have increased significantly in 2021 and constitutes a growing proportion of the company's revenue. At the time of writing this, optimism is back, passenger volume is surpassing budgets, and airports are investing in the future again. Digitalization is a top priority for airports and our offering fits perfectly into the digitalization agenda. We expect airports to continue to invest for the remainder of 2022 and into 2023, especially when more borders around the world open and aviation gets busy again. Airports getting back to the same level of traffic as before the crisis is not a prerequisite for continued growth of the business, as airports have right-sized their organizations and are hence outperforming their budget targets already.

There is a continued investment in software, which is also reflected in the balance. We have succeeded in establishing a team of highly qualified and motivated employees, who can ensure that the company's growth targets are achieved. The software development has been partly financed by EU Horizon 2020 SME Instrument. Additionally, it is financed by a loan from Vækstfonden and investments from private investors. The investments are expected to have a visible positive impact on the software revenue of 2022, while 2022 is budgeted with a negative result as a consequence of the growth strategy.

Significant events after the end of the financial year
To further accelerate growth and take advantage of the substantial opportunities in a quickly recovering aviation industry, the company has after yearend strengthened its capital structure through a capital increase in February 2022 and opened an office in Boston, USA. This will enable us to further propel the software development and increase our presence on non-European markets. Apart from this no events have occurred.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2021 DKK	2020 DKK
GROSS PROFIT		**14,979,640**	**16,379,341**
Staff costs	1	-9,482,043	-7,756,054
Depreciation, amortisation and impairment losses		-7,308,229	-5,709,990
OPERATING LOSS		**-1,810,632**	**2,913,297**
Other financial income		191,900	140,361
Other financial expenses		-558,210	-564,628
LOSS BEFORE TAX		**-2,176,942**	**2,489,030**
Tax on profit/loss for the year	2	1,017,286	35,426
LOSS FOR THE YEAR		**-1,159,656**	**2,524,456**

PROPOSED DISTRIBUTION OF PROFIT

		2021	2020
Retained earnings		-1,159,656	2,524,456
TOTAL		**-1,159,656**	**2,524,456**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2021 DKK	2020 DKK
Development projects completed		20,915,740	19,846,459
Intangible assets	3	**20,915,740**	**19,846,459**
Other plant, machinery tools and equipment		116,897	275,160
Property, plant and equipment	4	**116,897**	**275,160**
Investments in subsidiaries		6,356	6,356
Rent deposit and other receivables		242,084	237,337
Financial non-current assets	5	**248,440**	**243,693**
NON-CURRENT ASSETS		**21,281,077**	**20,365,312**
Trade receivables		2,437,035	2,474,848
Contract work in progress		369,247	605,441
Other receivables		2,497,787	226,282
Corporation tax receivable		1,532,831	285,274
Prepayments		80,618	446,345
Receivables		**6,917,518**	**4,038,190**
Cash and cash equivalents		**1,771,080**	**7,433,686**
CURRENT ASSETS		**8,688,598**	**11,471,876**
ASSETS		**29,969,675**	**31,837,188**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2021 DKK	2020 DKK
Share capital		53,750	53,750
Reserve for development costs		16,314,277	15,480,238
Retained earnings		-7,927,130	-5,933,435
EQUITY		**8,440,897**	**9,600,553**
Provision for deferred tax		3,526,115	3,308,396
PROVISIONS		**3,526,115**	**3,308,396**
Debt to mortgage credit institution		2,020,978	3,123,030
Accruals and deferred income		5,770,612	5,449,163
Frozen holiday pay		1,250,507	1,250,507
Non-current liabilities	6	**9,042,097**	**9,822,700**
Debt to mortgage credit institution		1,475,941	1,417,000
Bank debt		275,306	84,535
Trade payables		589,675	488,896
Corporation tax payable		0	285,274
Other liabilities		1,129,031	1,371,272
Deferred income		5,490,613	5,458,562
Current liabilities		**8,960,566**	**9,105,539**
LIABILITIES		**18,002,663**	**18,928,239**
EQUITY AND LIABILITIES		**29,969,675**	**31,837,188**

Contingencies etc. 7

Charges and securities 8

EQUITY

	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2021	53,750	15,480,238	-1,210,897	14,323,091
Change of equity due to correction of errors			-4,722,538	-4,722,538
Adjusted equity at 1 January 2021	**53,750**	**15,480,238**	**-5,933,435**	**9,600,553**
Proposed profit allocation			-1,159,656	-1,159,656
Other legal bindings				
Capitalized development costs		834,039	-834,039	0
Equity at 31 December 2021	**53,750**	**16,314,277**	**-7,927,130**	**8,440,897**

NOTES

	2021 DKK	2020 DKK	Note
Staff costs			1
Average number of employees	22	23	
Wages and salaries	13,583,295	12,386,348	
Pensions	2,001,429	1,855,156	
Social security costs	136,267	270,619	
Other staff costs	443,368	267,581	
Capitalized staff costs	-6,682,316	-7,023,650	
	9,482,043	**7,756,054**	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year	-1,235,005	0	
Adjustment of deferred tax	217,719	-35,426	
	-1,017,286	**-35,426**	

Intangible assets 3

	Development projects completed
Cost at 1 January 2021	32,265,559
Additions	8,219,249
Cost at 31 December 2021	**40,484,808**
Amortisation at 1 January 2021	12,419,101
Amortisation for the year	7,149,967
Amortisation at 31 December 2021	**19,569,068**
Carrying amount at 31 December 2021	**20,915,740**

Development projects in progress
Development projects include the development of the platform and software engine. The development project essentially consists of costs in the form of direct salaries, which are recorded through the company’s internal project module and time registration.

The carrying amount of development projects in progress is DKK 20,916 thousand at 31 December 2021.

The company's development projects is expected to provide future profitable earnings.

NOTES

		Note

Property, plant and equipment 4

	Other plant, machinery tools and equipment
Cost at 1 January 2021	827,125
Cost at 31 December 2021	**827,125**
Depreciation and impairment losses at 1 January 2021	551,966
Depreciation for the year	158,262
Depreciation and impairment losses at 31 December 2021	**710,228**
Carrying amount at 31 December 2021	**116,897**

Financial non-current assets 5

	Investments in subsidiaries	Rent deposit and other receivables
Cost at 1 January 2021	6,356	242,084
Cost at 31 December 2021	**6,356**	**242,084**
Carrying amount at 31 December 2021	**6,356**	**242,084**

Long-term liabilities 6

	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Debt to mortgage credit institution	3,496,919	1,475,941	0	4,540,030
Accruals and deferred income	7,857,660	2,087,048	0	9,456,432
Frozen holiday pay	1,250,507	0	1,250,507	1,250,507
	12,605,086	**3,562,989**	**1,250,507**	**15,246,969**

Contingencies etc. 7

Contingent liabilities

	2021 DKK	**2020** DKK
Lease liabilities (operating leases):		
Rent and lease liabilities	241,303	232,683
	241,303	**232,683**

NOTES

Note

Charges and securities 8

For collateral regarding debt to banks, there is registered a mortgage deed with mortgage in debtors and simple receivables with a nominal value of DKK 6,000 thousand.

For collateral regarding long term debt, a mortgage deed with mortgage in operating equipment and fixed assets, as well as simple receivables etc. with a nominal value of DKK 2,500 thousand.

ACCOUNTING POLICIES

The Annual Report of COPENHAGEN OPTIMIZATION ApS for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

Change resulting from material misstatement
In the annual report for 2020 there was a material misstatement as a result of incorrect recognition of the company's received EU grant, when comparing with the company's incurred costs.

The error has caused that in the annual report 2020 there have been recognized a too large part of the EU grant in the income statements.

The accounting error has no impact on the eligibility of the grant, nor does it have any impact on the payment schedule of the grant. The error is solely around the accruals and the correction necessary will be neutralized over time when the development costs are amortized.

The error has been corrected in the annual report and causes the accounting item “Other operating income” in the income statement and thus the profit for the year in 2020 to be reduced by DKK 3,735,029 after tax. The error also causes the accounting item “Deferred income” under current liabilities to increase by DKK 6,054,516. Total deferred income consists of DKK 9,456,432, with DKK 5,449,163 presented as non-current liabilities and DKK 4,007,269 presented as current liabilities.

The change has also had effects on the calculated taxes for 2020. "Adjustment of deferred tax" in the income statement is reduced by DKK 766,691. The error also causes the accounting item “Provision for deferred tax” under provisions to decrease by DKK 1,046,704. Lastly DKK 285,274 has been presented as "Corporation tax receivable" as this is expected to be paid out fully, as the correction of the tax returns are made. The effect of the balance sheet total is thus increased by DKK 285,274.

The impact of the material error is recognized directly under equity at the beginning of the year on the line “Change of equity due to correction of errors”, where DKK 4,722,538 is located under retained earnings. As a result of the material misstatement comparative figures have been adjusted.

INCOME STATEMENT

Net revenue
Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

Other operating income
Other operating income includes items of a secondary nature in relation to the Group’s and the Company’s activities. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other external expenses
Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees. Repayments from public authorities are deducted from staff costs.

ACCOUNTING POLICIES

Income from investments in subsidiaries
Dividend from subsidiaries is recognised in the financial year in which the dividend is declared. In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets
Development projects comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the Company's development activities and which fulfil the criteria for recognition in the Balance Sheet.

The accounting item is measured at the lower of the capitalised costs less accumulated amortisation and recoverable amount.

Completed capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

Intangible fixed assets are generally written down to the recoverable amount if this is lower than the carrying amount.

Tangible fixed assets
Production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life
Other plant, fixtures and equipment...	3-5 years

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

ACCOUNTING POLICIES

Financial non-current assets
Equity investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Contract work in progress
Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the Balance Sheet date and the total anticipated revenue related to the specific piece of work in progress.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff 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 under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

ACCOUNTING POLICIES

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.