

MyD2App ApS

Christian IX's Gade 10, st, 2

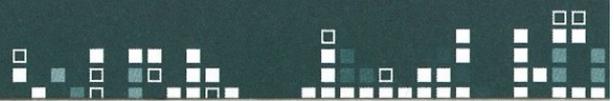
1111 København K

CVR No. 36474106

Annual Report 2022

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 28 July 2023

Mohammad Irfan Goandal
Chairman of the General Meeting



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Company details

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CVR No. 36474106
Financial year 1 January 2022 - 31 December 2022

Supervisory Board Mohammad Irfan Goandal
Amer Ramzan
Hamad Raza

Executive Board Omair Khan

Auditors Sønderup I/S
statsautoriserede revisorer
Vallensbæk Strand
2665 Vallensbæk Strand

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Website www.sonderuprevisorer.dk
CVR-no.: 31824559

Management's Statement

Today, Management has considered and adopted the Annual Report of MyD2App ApS for the financial year 1 January 2022 - 31 December 2022.

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 assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022.

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

Copenhagen, 28 July 2023

Executive Board

Omair Khan
Manager

Supervisory Board

Mohammad Irfan Goandal
Chairman

Amer Ramzan
Member

Hamad Raza
Member

Independent Auditors' Report

To the shareholders of MyD2App ApS

Adverse opinion

We have audited the financial statements of MyD2App ApS for the financial year 1 January 2022 - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, due to the significance of the matter described in the "Basis-of-adverse-opinion" paragraph, the Financial Statements do not give a true and fair view of Company's financial position at 31 December 2022 and of the results of its operations for the financial year 1 January 2022 - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis of adverse opinion

The financial statements of the Company are presented on the assumption that the Company is a going concern. As mentioned in Note 1, the Company's ability to continue as a going concern depends on the Company achieving additional agreements to generate liquidity as the debt falls due. However, we have not received sufficient documentation to support this. Consequently, we give a qualified opinion as to presenting the financial statements of the Company on the assumption that the Company is a going concern.

Note 2 to the financial statements of the Company refers to the uncertainty connected with recognising and measuring the Companies development projects, recognised at DKK 10.333 thousand. The value of the development projects directly depends on the Company achieving additional agreements to generate liquidity. Otherwise, the recoverable amount will be significantly lower than the carrying amount.

As mentioned above, we have not received sufficient documentation that the Company will achieve additional agreements to generate liquidity as the debt falls due which will significantly affect the value of the individual types of assets as specified above:

- * We believe that the development projects will be negatively affected by an amount between DKK 0-10 million. The total impact on the Companies assets is then DKK 0-10 million, which, equivalently, will negatively affect the results for the year before tax and equity.

Consequently, we give a qualified opinion as to the measurement of the assets mentioned above.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the "Auditors' responsibility for the Audit of the 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 statement in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditors' Report

Management's responsibility 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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

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

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- * Identify and assess the risk of material misstatements in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect the underlying transactions and events in a manner that gives a true and fair view.

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

Independent Auditors' Report

Statement on Management's Review

Management is responsible for the Management's review.

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

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

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

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

Vallensbæk Strand, 28 July 2023

Sønderup I/S

statsautoriserede revisorer

CVR-no. 31824559

Christian Hjortshøj

State Authorised Public Accountant

mne34485

Management's Review

The Company's principal activities

The Company's principal activities consist in develop and operate social media platforms.

Development in the activities and the financial situation of the Company

The Company's Income Statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK -6.386.341 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 11.044.316 and an equity of DKK -10.834.004.

MyD2App ApS is in a phase of accelerating growth, which requires continuous fundraising for sustaining the growth. Our existing investors are committed to support our growth and working closely to secure funding from other external sources.

The Company has a negative equity position and is therefore affected by the rules of capital loss in the Danish Companies Act. Management expects to reestablish the Capital by future profits or by further equity investments.

Post financial year events

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

Income Statement

	Note	2022 kr.	2021 kr.
Gross profit		-974.024	-2.068.301
Other employee expense	3	-422.966	-420.022
Depreciation, amortisation and impairment losses	4	-4.266.174	-3.480.578
Profit from ordinary operating activities		-5.663.164	-5.968.901
Finance income		0	11
Other finance expenses		-1.301.886	-1.046.904
Profit from ordinary activities before tax		-6.965.051	-7.015.794
Tax expense on ordinary activities		578.709	1.144.000
Profit		-6.386.341	-5.871.794
Proposed distribution of results			
Retained earnings		-6.386.341	-5.871.794
Distribution of profit		-6.386.341	-5.871.794

Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Assets			
Completed development projects	5	7.933.285	11.875.882
Development projects in progress	5	2.400.000	0
Intangible assets	6	10.333.286	11.875.882
Fixtures, fittings, tools and equipment		0	9.199
Property, plant and equipment	7	0	9.199
Investments in group enterprises		0	65.662
Investments	8, 9	0	65.662
Fixed assets		10.333.286	11.950.743
Other receivables		27.963	310.007
Income tax receivables		578.709	1.144.000
Receivables		606.672	1.454.007
Cash and cash equivalents		104.359	230.282
Current assets		711.031	1.684.288
Assets		11.044.316	13.635.032

Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Liabilities and equity			
Contributed capital		195.000	195.000
Reserve for development expenditure		8.059.963	9.263.188
Retained earnings		-19.088.968	-13.905.851
Equity		-10.834.004	-4.447.663
Convertible, profit yielding or dividend yielding debt instruments		13.643.082	9.681.866
Other payables		6.073.088	6.217.107
Long-term liabilities other than provisions	10	19.716.170	15.898.973
Short-term part of long-term liabilities other than provisions		500.000	0
Debet to credit institutions		20.358	50.299
Trade payables		678.448	1.267.192
Other payables		963.345	866.230
Short-term liabilities other than provisions		2.162.151	2.183.722
Liabilities other than provisions within the business		21.878.321	18.082.695
Liabilities and equity		11.044.316	13.635.032
Collaterals and assets pledged as security	11		

Statement of changes in Equity

	Contributed capital	Development expenditure	Retained earnings	Total
Equity 1 January 2022	195.000	9.263.188	-13.905.851	-4.447.663
Equity transfers to reserves	0	-1.203.225	1.203.225	0
Profit (loss)	0	0	-6.386.341	-6.386.341
Equity 31 December 2022	195.000	8.059.963	-19.088.967	-10.834.004

Notes

1. Going concern

MyD2App ApS has a negative equity of DKK 10.834k as per 31 December 2022. The company has been continuously financed by loans from shareholders, primarily Promentum K/S and Vækstfonden.

The company has received notice from Promentum K/S, that no loans from Promentum K/S are due within 2023, the loan balance is therefore classified as non-current liabilities. Loans from Promentum K/S is not expected to mature until the end of 2024.

The company has changed its strategy and plans to launch its IT solutions in the Danish market from 2023. The first agreements have been made, but in order for the company to meet its payment obligations and continue its operations in 2023 and beyond, additional agreements are required to generate liquidity as the debt falls due. Management expects that agreements will be made to ensure the continued operation in 2023 and beyond.

Based on the these factors, Management considers MyD2App ApS as a going concern entity. Consequently, the financial statements have been prepared in accordance with this assumption.

2. Uncertainty relating to recognition and measurement

Completed development projects and development projects in progress totals DKK 10.333k. Completed development projects are measured at cost after depreciation and amortization while development projects in progress are measured at cost. As of the balance sheet date, there has been no significant income related the mentioned project and the measurement is subject to material uncertainty.

Management is confident that income and cash flow related to the project will be significant and that the significant uncertainty primarily relates to the timing of commercialization rather than the technical development. It is the opinion of Management that the net booked value of development projects is not subject to impairment.

	2022	2021
3. Employee benefits expense		
Wages and salaries	412.838	408.828
Post-employment benefit expense	0	16.425
Social security contributions	909	3.851
Other employee expense	9.219	-9.083
	422.966	420.021
Average number of employees	<u>1</u>	<u>1</u>

4. Depreciation, amortisation and impairment losses

Depreciation of property, plant and equipment	6.133	6.133
Amortisation of intangible assets	4.256.975	3.474.445
	4.263.108	3.480.578

Notes

5. Development projects

Development costs relate to further development of the company's social platform. The year's attendance is attribute to labor costs and external consultants. The development projects in progress regards a video platform. Other than that the products are fully developed and management believes that there is a market for the products.

6. Intangible assets

	Completed development projects	Dev. projects in progress and prepayments	Acquired intangible assets	Acquired other similar rights
Cost at the beginning of the year	21.060.429	0	83.322	14.185
Additions	230.497	2.400.000		0
Cost at the end of the year	21.290.926	2.400.000	83.322	14.185
Depreciation and amortisation at the beginning of the year	-9.184.547	0	-83.322	-14.185
Amortisation for the year	-4.173.094	0	0	0
Impairment losses and amortisation at the end of the year	-13.357.641	0	-83.322	-14.185
Carrying amount at the end of the year	7.933.285	2.400.000	0	0

7. Property, plant and equipment

	Fixtures, fit tings, tools and equipment
Cost at the beginning of the year	18.399
Cost at the end of the year	18.399
Depreciation and amortisation at the beginning of the year	-9.200
Amortisation for the year	-9.199
Impairment losses and amortisation at the end of the year	-18.399
Carrying amount at the end of the year	0

Notes

8. Investments

	Investments in group enterprises
Cost at the beginning of the year	65.662
Cost at the end of the year	65.662
Impairment losses for the year	-65.662
Impairment losses and amortisation at the end of the year	-65.662
Carrying amount at the end of the year	0

9. Investments in group enterprises

Group enterprises

Name	Registered office	Share held in %
Salam Planet (Private) Limited	Pakistan	100,00

10. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Convertible, profit yielding or dividend yielding debt instruments	13.643.082	0	0
Other payables	6.073.088	500.000	0
	19.716.170	500.000	0

11. Collaterals and securities

The entity has provided security in the form of deposit of 100k DKK to Danske Bank.

Accounting Policies

Reporting Class

The annual report of MyD2App ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Consolidated Financial Statements

With reference to § 110 of the Danish Financial Statements Act, no Consolidated Financial Statement have been prepared because the Group enterprises do not exceed the amount limits.

Reporting currency

The annual report is presented in Danish kroner.

General information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

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

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

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

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

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

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

Income statement

Gross profit/loss

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

Gross profit is a combination of the items of revenue and other external expenses.

Accounting Policies

Revenue

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

Other external expenses

Other external expenses include expenses for sales, advertising, administration, bad debts etc.

Staff costs

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

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of tangible and intangible assets

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

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

Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

Dividends from other investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance sheet

Intangible assets

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

Other development costs are recognised as costs in the income statement as they incur.

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

Accounting Policies

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

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Other intangible assets, including licenses and acquired rights etc., are measured at cost less accumulated amortization and impairment losses.

An impairment test of acquired intangible assets is performed in the event of indications of a decrease in value. Furthermore, annual impairment tests are performed for ongoing and activated development projects, if any. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

Property, plant and equipment

Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

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

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

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

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

Other fixtures and fittings, tools and equipment	3-5 years	0%
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Equity investments in group enterprises

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

Receivables

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

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

Cash and cash equivalents

Cash comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Accounting Policies

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Current tax payable or receivable

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

Other payables

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

Contingent assets and liabilities

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