

## Area9 Innovation ApS

Galionsvej 37  
1437 København K

CVR No. 36921897

## Annual Report 2022

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

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Jakob Juul Christensen  
Chairman

**Area9 Innovation ApS**

**Contents**

Management’s Statement .....3

Independent Auditors' Report.....4

Company Information .....6

Management's Review.....7

Income Statement.....8

Balance Sheet .....9

Statement of changes in Equity .....11

Notes.....12

Accounting Policies.....13

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## Area9 Innovation ApS

### Independent Auditors' Report

#### To the shareholders of Area9 Innovation ApS

#### Opinion

We have audited the financial statements of Area9 Innovation ApS for the financial year 1 January 2022 - 31 December 2022, which comprise an 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, the financial statements give a true and fair view of the 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 opinion

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.

#### 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.

## Area9 Innovation ApS

### Independent Auditors' Report

\*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.

#### 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.

Ringsted, 16 June 2023

**Sønderup I/S**

**Statsautoriserede Revisor**

CVR-no. 31824559

Tom Sønderup

State Authorised Public Accountant

mne10489

## Area9 Innovation ApS

### Company details

<b>Company</b>	Area9 Innovation ApS Galionsvej 37 1437 København K
CVR No.	36921897
Date of formation	9 June 2015
<b>Supervisory Board</b>	Ulrik Juul Christensen Tommy Olesen Chaudhri Khurram Jamil Asger Kunuk Alstrup Palm, Manager
<b>Executive Board</b>	Asger Kunuk Alstrup Palm, Manager
<b>Auditors</b>	Sønderup I/S Statsautoriserede Revisorer Jyllandsgade 9 4100 Ringsted CVR-no.: 31824559

## **Area9 Innovation ApS**

### **Management's Review**

#### **The Company's principal activities**

The Company's principal activities consist in development and marketing of software solutions.

#### **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 -3,906,050 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 22,788,614 and an equity of DKK -12,576,003.

#### **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.

## Area9 Innovation ApS

## Income Statement

	Note	2022 kr.	2021 kr.
<b>Gross profit</b>		<b>6,683,683</b>	<b>2,732,335</b>
Employee benefits expense	2	-6,699,385	-3,912,226
Depreciation of intangible assets	3	-2,960,635	-3,911,608
<b>Profit from ordinary operating activities</b>		<b>-2,976,337</b>	<b>-5,091,499</b>
Other finance income		46	0
Finance expenses	4	-929,759	-476,091
<b>Profit from ordinary activities before tax</b>		<b>-3,906,050</b>	<b>-5,567,590</b>
Tax for the year		0	574,888
<b>Profit</b>		<b>-3,906,050</b>	<b>-4,992,702</b>
<b>Proposed distribution of results</b>			
Reserve for net revaluation according to equity method		-2,960,635	-3,051,055
Retained earnings		-945,415	-1,941,648
<b>Distribution of profit</b>		<b>-3,906,050</b>	<b>-4,992,703</b>



## Area9 Innovation ApS

## Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
<b>Assets</b>			
Completed development projects	5	21,958,041	24,918,676
<b>Intangible assets</b>		<b>21,958,041</b>	<b>24,918,676</b>
<b>Fixed assets</b>		<b>21,958,041</b>	<b>24,918,676</b>
Trade receivables		712,250	845,295
Tax receivables		0	18,317
Deferred income		45,200	2,000
<b>Receivables</b>		<b>757,450</b>	<b>865,612</b>
<b>Cash and cash equivalents</b>		<b>73,123</b>	<b>88,240</b>
<b>Current assets</b>		<b>830,573</b>	<b>953,851</b>
<b>Assets</b>		<b>22,788,614</b>	<b>25,872,527</b>

## Area9 Innovation ApS

## Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
<b>Liabilities and equity</b>			
Contributed capital		50,000	50,000
Reserve for development expenditure		16,475,932	19,436,567
Retained earnings		-29,101,935	-28,156,520
<b>Equity</b>		<b>-12,576,003</b>	<b>-8,669,953</b>
Mortgage debt		38,640	71,032
Trade payables		23,364	22,025
Payables to group companies		34,856,788	33,212,703
Other payables		445,825	1,236,720
<b>Short-term liabilities other than provisions</b>		<b>35,364,617</b>	<b>34,542,480</b>
<b>Liabilities other than provisions within the business</b>		<b>35,364,617</b>	<b>34,542,480</b>
<b>Liabilities and equity</b>		<b>22,788,614</b>	<b>25,872,527</b>
Contingent liabilities	6		
Deferred tax assets and liabilities	7		

**Area9 Innovation ApS****Statement of changes in Equity**

	<b>Contributed capital</b>	<b>Reserve for development cost</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2022	50,000	19,436,567	-28,156,520	-8,669,953
Profit (loss)	0	-2,960,635	-945,415	-3,906,050
<b>Equity 31 December 2022</b>	<b>50,000</b>	<b>16,475,932</b>	<b>-29,101,935</b>	<b>-12,576,003</b>

The share capital has remained unchanged for the last 5 years.

**Area9 Innovation ApS****Notes****1. Uncertainties relating to going concern**

The company's continued operation is subject to the retention of the credit available from suppliers and main shareholder, under the current conditions, and that fresh capital is contributed if needed. There is nothing that indicates that the credits would not be available and that there should not be given additional credit for at least 12 months from the balance sheet date. There is delivered letter of intent about necessary credit from main shareholder until 31 December 2023. The annual report is prepared in accordance with the principle of continuous operation.

	<b>2022</b>	<b>2021</b>
<b>2. Employee benefits expense</b>		
Wages and salaries	6,680,399	3,896,765
Other employee expense	18,986	15,461
	<u><b>6,699,385</b></u>	<u><b>3,912,226</b></u>
Average number of employees	<u>3</u>	<u>3</u>
<b>3. Depreciation and impairment of intangible assets</b>		
Depreciation of development projects	2,960,635	1,727,037
Impairment of development projects	0	2,184,571
	<u><b>2,960,635</b></u>	<u><b>3,911,608</b></u>
<b>4. Finance expenses</b>		
Finance expenses from group companies	911,835	471,827
Other finance expenses	17,924	4,264
	<u><b>929,759</b></u>	<u><b>476,091</b></u>

**5. Completed development projects**

Development costs primarily include the development of new process optimization technology. The software is fully developed and marketing and sales can begin. The new software is expected to bring significant competitive advantages. Development costs are recognized under intangible assets.

**6. Contingent liabilities**

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

The total amount appears in the annual report of Area9 Invest ApS which is the administration company in the joint taxation.

**7. Deferred tax and liabilities**

The company has a tax asset of T.DKK 6.337, which has not been included in the annual report.

## Area9 Innovation ApS

### Accounting Policies

#### Reporting Class

The Annual Report of Area9 Innovation 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.

#### Change in financial year

The comparative figures in the annual report covers a 7 month period while the current annual report is for a 12 month period.

#### 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 amortised cost. 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 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 Annual Report, 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, consumables and other external expenses.

#### 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 net of sales discounts.

**Area9 Innovation ApS****Accounting Policies****Other external expenses**

Other external costs include costs for sales, advertising, administration etc.

**Amortisation and impairment of intangible assets**

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

Completed development projects	10 years	0%
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**Financial income and expenses**

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, accounts payable and transactions in foreign currencies and allowances under the tax prepayment scheme.

**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.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

**Balance Sheet****Intangible assets**

Clearly defined and identifiable development projects where the technical rate of utilisation, 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 amortisation, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

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

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.

**Receivables**

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

**Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

**Equity**

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

## **Area9 Innovation ApS**

### **Accounting Policies**

#### **Development cost reserve**

Development cost reserve includes recognised development costs. The reserve is not available for the payment of dividends or losses. The reserve is deducted or dissolved by depreciation of the recognised costs or abandonment of the activity. Such reduction or dissolution is made by means of a transfer to distributable reserves.

#### **Current tax liabilities**

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

#### **Liabilities**

Liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

#### **Other payables**

Other payables are measured at amortised 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.

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This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

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This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

## Jakob Juul Christensen

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Navnet returneret af dansk MitID var:

Jakob Juul Christensen

Dirigent

ID: 7802f7d0-5e61-4173-90fa-2bda54bb072d

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