

Area9 Innovation ApS

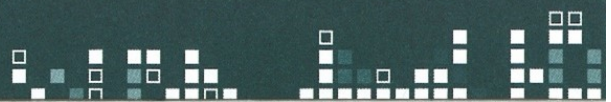
Galionsvej 37
1437 København K

CVR No. 36921897

Annual Report 2023

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 5 July 2024

Jakob Juul Christensen
Chairman



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

Area9 Innovation ApS

Management's Statement

Today, Management has considered and adopted the Annual Report of Area9 Innovation ApS for the financial year 1 January 2023 - 31 December 2023.

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

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

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

Copenhagen, 19 June 2024

Executive Board

Asger Kunuk Alstrup Palm
Manager

Board of Directors

Ulrik Juul Christensen
Chairman

Tommy Olesen

Chaudhri Khurram Jamil

Asger Kunuk Alstrup Palm

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 2023 - 31 December 2023, 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 2023 and of the results of its operations for the financial year 1 January 2023 - 31 December 2023 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.

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, 19 June 2024

Sønderup I/S

Statsautoriserede Revisor

CVR-no. 31824559

Tom Sønderup

State Authorised Public Accountant

mne10489

Area9 Innovation ApS

Company details

Company	Area9 Innovation ApS Galionsvej 37 1437 København K
CVR No.	36921897
Date of formation	9 June 2015
Financial year	1 January 2023 - 31 December 2023
Board of Directors	Ulrik Juul Christensen Tommy Olesen Chaudhri Khurram Jamil Asger Kunuk Alstrup Palm, Manager
Executive Board	Asger Kunuk Alstrup Palm
Auditors	Sønderup I/S Statsautoriserede Revisorer Jyllandsgade 9 4100 Ringsted CVR-no.: 31824559

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 2023 - 31 December 2023 shows a result of DKK -3,713,864 and the Balance Sheet at 31 December 2023 a balance sheet total of DKK 19,913,527 and an equity of DKK -16,289,867.

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	2023 kr.	2022 kr.
Gross profit		6,800,843	6,683,683
Staff Costs	2	-6,698,633	-6,699,385
Depreciation of intangible assets	3	-2,960,635	-2,960,635
Profit from ordinary operating activities		-2,858,425	-2,976,337
Other finance income		27,812	46
Finance expenses	4	-997,283	-929,759
Profit before tax		-3,827,895	-3,906,050
Tax for the year		114,032	0
Profit		-3,713,864	-3,906,050
Proposed distribution of results			
Reserve for net revaluation according to equity method		-1,657,955	-2,960,635
Retained earnings		-2,055,909	-945,415
Distribution of profit		-3,713,864	-3,906,050

Area9 Innovation ApS

Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
Assets			
Completed development projects	5	18,997,407	21,958,041
Intangible assets		<u>18,997,407</u>	<u>21,958,041</u>
Fixed assets		<u>18,997,407</u>	<u>21,958,041</u>
Trade receivables		825,750	712,250
Other short-term receivables		443	0
Deferred income		0	45,200
Receivables		<u>826,193</u>	<u>757,450</u>
Cash and cash equivalents		<u>89,927</u>	<u>73,123</u>
Current assets		<u>916,120</u>	<u>830,573</u>
Assets		<u>19,913,527</u>	<u>22,788,614</u>

Area9 Innovation ApS

Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
Liabilities and equity			
Contributed capital		50,000	50,000
Reserve for development expenditure		14,817,977	16,475,932
Retained earnings		-31,157,844	-29,101,935
Equity		-16,289,867	-12,576,003
Debt to banks		38,665	38,640
Trade payables		659,012	23,364
Payables to group companies		34,881,229	34,856,788
Other payables		624,487	445,825
Short-term liabilities other than provisions		36,203,393	35,364,617
Liabilities other than provisions within the business		36,203,393	35,364,617
Liabilities and equity		19,913,527	22,788,614
Contingent liabilities	6		
Deferred tax assets and liabilities	7		

Area9 Innovation ApS

Statement of changes in Equity

	Contributed capital	Reserve for development cost	Retained earnings	Total
Equity 1 January 2023	50,000	16,475,932	-29,101,935	-12,576,003
Profit (loss)	0	-1,657,955	-2,055,909	-3,713,864
Equity 31 December 2023	50,000	14,817,977	-31,157,844	-16,289,867

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

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 2024. The annual report is prepared in accordance with the principle of continuous operation.

	2023	2022
2. Staff Costs		
Wages and salaries	6,680,685	6,680,399
Other employee expense	17,948	18,986
	<u>6,698,633</u>	<u>6,699,385</u>
Average number of employees	<u>3</u>	<u>3</u>

3. Depreciation and impairment of intangible assets

Depreciation of development projects	2,960,635	2,960,635
	<u>2,960,635</u>	<u>2,960,635</u>

4. Finance expenses

Finance expenses arising from group enterprises	961,858	911,835
Other finance expenses	35,424	17,924
	<u>997,282</u>	<u>929,759</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 2023 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.

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, 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 all discounts granted are recognised in revenue.

Other external expenses

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

Accounting Policies

Amortisation and impairment of 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:

	Useful life	Residual value
Completed development projects	10 years	0%

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, accounts payable and transactions in foreign currencies and allowances under the advance-payment of tax 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

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.

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

Accounting Policies

Development cost reserve

Development cost reserve includes recognised development costs. The reserve is not available for the payment of dividend or losses. The reserve is deducted or dissolved by depreciation of the recognized 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 estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Liabilities

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

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.