

ANNUAL REPORT

1. January - 31. December 2021

ADDOPTIFY APS

**Østerbrogade 62, 3. th.
2100 København Ø**

CVR-No. 37 29 65 54

6. Financial year

The Annual Report was presented and
adopted by the Annual General Meeting

27. January 2022

DocuSigned by:

Joakim Norlander

Joakim Norlander

Chairman of the meeting

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Please note that Danish decimal and digit grouping symbols have been used in the Annual Report.

COMPANY INFORMATION

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The Company:

Addoptify ApS
Østerbrogade 62, 3. th.
2100 København Ø

Executive Board:

Joakim Norlinder
Per Åke Henning Ogberg

Auditors:

Lægård Revision
Statsautoriseret revisionsfirma
Østerbrogade 62
2100 København Ø

MANAGEMENT'S STATEMENT**2**

Today the Board of Directors and the Executive Board presented the Annual Report for 2021 for Addoptify ApS.

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

We find the accounting policies applied appropriate, and the Annual Report therefore provides a true and fair view of the Company's assets, liabilities and equity, financial position and results of the company. In our opinion, the Management's Review includes a true and fair description of the matters mentioned in the review.

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

Copenhagen, 24. January 2022.

Executive Board:

DocuSigned by:
Joakim Norlinder
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Joakim Norlinder

DocuSigned by:
Henning Ogberg
4987C2B3FDB346D
Per Åke Henning Ogberg

To the shareholders of Addoptify ApS.**Opinion:**

We have audited the Financial Statements of Addoptify ApS for the financial year 1. January - 31. December 2021, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies, for the Company. 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 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements:

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of 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 of accounting information 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.
- 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.

INDEPENDENT AUDITOR'S REPORT, CONTINUED**5****Auditor's Responsibilities for the Audit of the Financial Statements - continued:**

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

Statement on Management's Review:

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 24. January 2022.
Lægård Revision, CVR-No. 18 43 70 82
State Authorised Public Accountants

Kurt Lægård
State Authorised Public Accountant
MNE-No. mne15013

MANAGEMENT'S REVIEW

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Principal activities:

Addoptify ApS' principal activities is to do business with software development and sales as well as consultancy and other management activities related to the management.

ACCOUNTING POLICIES

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The annual report of Addoptify ApS for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act regarding reporting class B enterprises.

The significant areas of the accounting policies, which are presented using the same policies as last year, are mentioned below.

GENERALLY REGARDING RECOGNITION AND MEASUREMENT

Income is recognised in the Income Statement as earned, including value adjustments of financial assets and liabilities. Likewise, all expenses including depreciation/amortisation, impairment losses, and reversals which are due to changes in estimated amounts previously recognised in the Income Statement, are recognised in the Income Statement.

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

Liabilities are recognised in the balance sheet when it is probable that the future economic benefits will flow out of the Company and when the measurement of the value of the liability is reliable.

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

Allowances are made for predictable losses and risks that arise before the presentation of the Annual Report and that confirm or invalidate circumstances that existed at the balance sheet date.

THE INCOME STATEMENT:

Gross income:

Gross income comprises the net turnover, other operating income, development costs, grants and other external costs.

Revenue:

Revenue from services is recognized in the income statement, when the service have been delivered.

ACCOUNTING POLICIES, CONTINUED**8****Direct costs:**

Direct costs includes costs incurred to achieve net sales for the year.

Other external costs:

Other external costs include costs relating to sales, advertising and administration.

Financials:

Financial income and costs are recognised in the income statement, with the amounts concerning the financial year. Financial income and costs include interest and transactions in foreign currency.

Tax on results for the year:

Tax on results for the year which comprises current tax and changes in deferred tax is recognised in the Income Statement with the portion of taxes related to the taxable income for the year whereas the portion attributable to entries on equity is recognised directly in equity.

ASSETS:**Receivables:**

Receivables are measured at amortised cost which usually equals nominal value. The value will be adjusted to meet expected losses.

Cash funds:

Cash equivalents consist of bank deposits and cash. Cash and cash equivalents are carried at fair value.

LIABILITIES:**Deferred income:**

Deferred income, recognized under liabilities, include payments relating to revenue in subsequent years.

Tax payable and deferred tax:

Current tax liabilities and current tax receivable are recognised in the balance sheet as tax calculated on the taxable income for the year adjusted for tax on previous years' taxable income and taxes paid on account/prepaid.

Deferred tax is measured according to the balance sheet liability method in respect of temporary differences between the carrying amount and the tax base of assets and liabilities. In cases, e.g. in respect of shares in which the statement of the tax base can be made according to alternative taxation rules, deferred tax is measured on the basis of the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets including the tax value of tax loss carryforwards, are measured at the expected realisable value, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Any deferred net tax assets are measured at net realisable value.

Liabilities:

Liabilities concerning debts to suppliers and other debts are measured at amortised cost which usually corresponds to the nominal value.

Conversion of foreign currency:

Transactions in foreign currency are translated at the exchange rates on the transaction date. Differences in exchange rates arising between the transaction date and the payment date are recognized in the income statement as financial income and expenses.

Receivables, debt and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are measured at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the time of the origin of the debt is recognized in the income statement under financial income and expenses.

INCOME STATEMENT 1. JANUARY - 31. DECEMBER 2021**10**

| <u>Note</u> | <u>2021</u> | <u>2020</u> |
|--|-------------------------|-------------------------|
| GROSS PROFIT | 5.770.460 | 4.836.590 |
| Financial expenses | <u>-46.510</u> | <u>-107.417</u> |
| PROFIT/LOSS BEFORE TAX | 5.723.950 | 4.729.173 |
| Tax on profit for the year | <u>-1.132.814</u> | <u>-906.660</u> |
| PROFIT/LOSS AFTER TAX | <u>4.591.136</u> | <u>3.822.513</u> |
| PROPOSED DISTRIBUTION OF PROFIT | | |
| Dividend for the year | 4.663.649 | 3.750.000 |
| Retained earnings | <u>-72.513</u> | <u>72.513</u> |
| TOTAL DISTRIBUTION | <u>4.591.136</u> | <u>3.822.513</u> |

BALANCE SHEET AS AT 31. DECEMBER 2021
ASSETS**11**

| <u>Note</u> | <u>31/12 2021</u> | <u>31/12 2020</u> |
|----------------------------------|-------------------|-------------------|
| Trade receivables | 2.590.379 | 2.107.566 |
| Deferred Tax | 666.200 | 746.600 |
| Short-term tax receivables | 0 | 814.640 |
| Other receivables | 102.488 | 97.264 |
| RECEIVABLES | 3.359.067 | 3.766.070 |
| CASH AND CASH EQUIVALENTS | 5.317.881 | 3.664.462 |
| CURRENT ASSETS | 8.676.947 | 7.430.532 |
| TOTAL ASSETS | 8.676.947 | 7.430.532 |

BALANCE SHEET AS AT 31. DECEMBER 2021
LIABILITIES

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| <u>Note</u> | <u>31/12 2021</u> | <u>31/12 2020</u> |
|--|-------------------|-------------------|
| Contributed capital | 50.000 | 50.000 |
| Retained earnings | 0 | 72.513 |
| Proposed dividend for the financial year | 4.663.649 | 3.750.000 |
| EQUITY | 4.713.649 | 3.872.513 |
| Trade payables | 128.670 | 164.130 |
| Short-term tax payables | 806.414 | 0 |
| Other short-term payables | 0 | 149 |
| Deferred income | 3.028.214 | 3.393.740 |
| SHORT-TERM LIABILITIES | 3.963.298 | 3.558.019 |
| LIABILITIES | 3.963.298 | 3.558.019 |
| LIABILITIES AND EQUITY | 8.676.947 | 7.430.532 |

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Kurt Lægård

Statsautoriseret revisor

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