

Project44 A/S

Strømmen 6
9400 Nørresundby
CVR No. 37439541

Annual report 2021

The Annual General Meeting adopted the
annual report on 07.07.2022

DocuSigned by:

Jett McCandless

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Jett McCandless

Chairman of the General Meeting

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Entity details

Entity

Project44 A/S

Strømmen 6

9400 Nørresundby

Business Registration No.: 37439541

Registered office: Aalborg

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Jett McCandless, Chairman of the board

Jørgen Brøndgaard Nielsen, Board member

David Chandler, Board member

Executive Board

Jørgen Brøndgaard Nielsen

Auditors

EY Godkendt Revisionspartnerselskab

Vestre Havnepromenade 1A

9000 Aalborg

CVR No.: 30700228

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Project44 A/S for the financial year 01.01.2021 - 31.12.2021.

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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aalborg, 07.07.2022

Executive Board

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Jørgen Brøndgaard Nielsen

Board of Directors

DocuSigned by:



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Jett McCandless

Chairman of the board

DocuSigned by:



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Jørgen Brøndgaard Nielsen

Board member

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David Chandler

Board member

Independent auditor's report

To the shareholders of Project44 A/S

Opinion

We have audited the financial statements of Project44 A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of 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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the management commentary.

Aalborg, 07.07.2022

EY Godkendt Revisionspartnerselskab

CVR No. 30700228

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Hans B. Vistisen

State Authorised Public Accountant

Identification No (MNE) mne23254

Management commentary

Primary activities

The company's main activities are to develop and market middleware DaaS and SaaS software services for supply chain freight visibility.

Development in activities and finances

Result before tax amounts to -31.346k compared to -27,771k in 2020.

Liquidity, financing and capital situation

The Company has in the financial year lost the share capital due to negative equity. The Company is therefore required by the Companies Act to make plans to restore the lost share capital.

The Company is expected to restore equity based on future operations and capital from the Parent Company. The Parent Company has in accordance with the annual report note 1 signed letter of support stating to support the Company with the liquidity needed to meet its obligations as they mature.

Events after the balance sheet date

Due to the change of the fiscal year of the parent company Project44 Inc., the Company has rescheduled its fiscal year from the calendar year to fiscal year February 1 to January 31. The conversion period includes 1 January to 31 January 2022, cf. section 15(3) of the Danish Financial Statements Act.

Income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Gross profit/loss		13,077	(2,127)
Staff costs	3	(35,291)	(23,110)
Depreciation, amortisation and impairment losses		(559)	(71)
Operating profit/loss		(22,773)	(25,308)
Other financial income		0	2,383
Other financial expenses	4	(8,573)	(1,782)
Profit/loss before tax		(31,346)	(24,707)
Tax on profit/loss for the year	5	0	(3,064)
Profit/loss for the year		(31,346)	(27,771)
Proposed distribution of profit and loss			
Retained earnings		(31,346)	(27,771)
Proposed distribution of profit and loss		(31,346)	(27,771)

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Leasehold improvements		955	754
Property, plant and equipment	6	955	754
Fixed assets		955	754
Trade receivables		18,491	12,609
Receivables from group enterprises		15,551	0
Other receivables		1,501	3,691
Prepayments		7,432	2
Receivables		42,975	16,302
Cash		4,918	2,008
Current assets		47,893	18,310
Assets		48,848	19,064

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		1,600	1,600
Retained earnings		(85,399)	(54,053)
Equity		(83,799)	(52,453)
Other payables		2,627	2,627
Non-current liabilities other than provisions	7	2,627	2,627
Bank loans		11	85
Trade payables		4,196	3,547
Payables to group enterprises	8	110,229	53,853
Other payables		5,901	5,757
Deferred income		9,683	5,648
Current liabilities other than provisions		130,020	68,890
Liabilities other than provisions		132,647	71,517
Equity and liabilities		48,848	19,064
Going concern	1		
Unusual circumstances	2		
Unrecognised rental and lease commitments	9		
Contingent assets	10		
Assets charged and collateral	11		
Group relations	12		

Statement of changes in equity for 2021

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1,600	(54,053)	(52,453)
Profit/loss for the year	0	(31,346)	(31,346)
Equity end of year	1,600	(85,399)	(83,799)

Notes

1 Going concern

The Company has received letter of support from the Parent Company Project44, Inc. which commits itself, on demand at one or more times to contribute to Project44 A/S the cash funds necessary for Project44 A/S to meet its obligations as they mature.

2 Unusual circumstances

Special items include significant revenues and expenses that have a special nature in relation to the company's profit-generating operating activities, such as costs for large-scale structuring; of processes and fundamental structural adjustments, as well as any disposal gains; and associated losses which over time are of significant importance. Special items also include other significant amounts of a one-off nature.

Gross profit was in 2020 positively effected by the recognition of 8,962 DKK'000 of other income from the sale of IP-Rights.

3 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	32,630	21,419
Pension costs	2,513	1,521
Other social security costs	148	170
	35,291	23,110
Average number of full-time employees	43	47

4 Other financial expenses

	2021 DKK'000	2020 DKK'000
Financial expenses from group enterprises	4,528	1,780
Other interest expenses	4,045	2
	8,573	1,782

5 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Adjustment concerning previous years	0	3,064
	0	3,064

Adjustment in 2020 is related to ruling on 2019 tax filing. Due to uncertainty, management reversed the recognised amount in prior year financial statements.

6 Property, plant and equipment

	Leasehold improvements DKK'000
Cost beginning of year	825
Additions	689
Cost end of year	1,514
Depreciation and impairment losses beginning of year	(71)
Depreciation for the year	(488)
Depreciation and impairment losses end of year	(559)
Carrying amount end of year	955

7 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK'000	Outstanding after 5 years 2021 DKK'000
Other payables	2,627	2,627
	2,627	2,627

Other payables concern holiday provision under the applicable Danish Holiday Act.

8 Payables to group enterprises

Payables to group enterprises consist of debt to Project44 Inc. from financing the activity in Project44 A/S.

9 Unrecognised rental and lease commitments

	2021 DKK'000	2020 DKK'000
Liabilities under rental or lease agreements until maturity in total	7,936	8,064

10 Contingent assets

The company has an unrecognised deferred tax asset primarily regarding tax losses, which amounts to DKK 20,259 thousand as of December 31, 2021

11 Assets charged and collateral

To secure debt with bank connection, Project44 A/S has pledged account which amounts to DKK 200,000. As of 31 December 2021, the debt to bank amounts to DKK 11 thousand

12 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Project44 Inc., Chicago IL, 60603 United States

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

In the current year changes have been made to the presentation in the comparative figures. Profit/loss, assets and equity are unchanged.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue from sales of software as a service (SaaS) and data as a service (DaaS) is recognized in the income statement when delivery and the risk transition to the buyer has taken place. Revenue is recognized net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities. Special items include significant revenues and expenses that have a special nature in relation to the company's profit-generating operating activities, such as costs for large-scale structuring; of processes and fundamental structural adjustments, as well as any disposal gains; and associated losses which over time are of significant importance. Special items also include other significant amounts of a one-off nature.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises interest income.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Leasehold improvements	3 years
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For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.