

# **Instamic IVS under frivillig likvidation**

c/o Sound Hub Denmark  
Peter Bangs Vej 17  
DK-7600 Struer

CVR No. 37756334

## **Annual Report 2021**

6. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 12 July 2022

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Michele Baggio  
Chairman

## **Instamic IVS under frivillig likvidation**

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## **Instamic IVS under frivillig likvidation**

### **Management's Statement**

Today, Management has considered and adopted the Annual Report of Instamic IVS under frivillig likvidation for the financial year 1 January 2021 - 31 December 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 assets, liabilities and financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January 2021 - 31 December 2021.

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

The conditions for not conducting an audit of the Financial Statement have been met.

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

San Francisco, 11 July 2022

#### **Executive Board**

Michele Baggio

**Instamic IVS under frivillig likvidation**

## **Auditors' Report on Compilation of Financial Statements**

**To the Management of Instamic IVS under frivillig likvidation**

We have compiled the accompanying financial statements of Instamic IVS under frivillig likvidation for the financial year 1 January 2021 - 31 December 2021 based on the information you have provided.

These financial statements comprise a summary of significant accounting Policies, income statement, balance sheet and notes.

We have completed the engagement of Compiling Financial Information in accordance with The International Standards on Related Services, ISRS 4410 (Revised), Compilation Engagements.

We have applied our professional expertise to assist you in the preparation and presentation of these Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions in the Danish Act on Auditors and Audit Firms as well as Danish Auditors' (FSR) ethical rules for auditors, including principles of integrity, objectivity, professional competence and due care.

The Financial Statement and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement regarding financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you have given us in order for us to compile the Financial Statements. Accordingly, we do not express an audit or review opinion on whether the Financial Statements are prepared in accordance with the Danish Financial Accounts Act.

Holstebro, 11 July 2022

**Klar Revision Statsautoriseret Revisionsanpartsselskab**

CVR-no. 35827943

Henrik Lund

State Authorised Public Accountant

mne31447

## **Instamic IVS under frivillig likvidation**

### **Company details**

<b>Company</b>	Instamic IVS under frivillig likvidation c/o Sound Hub Denmark Peter Bangs Vej 17 DK-7600 Struer
Telephone	US +1 415 351 9169
Website	<a href="http://www.instamic.io">www.instamic.io</a>
CVR No.	37756334
Date of formation	24 May 2016
Registered office	Struer
<b>Executive Board</b>	Michele Baggio
<b>Auditors</b>	Klar Revision Statsautoriseret Revisionsanpartsselskab Nupark 51 7500 Holstebro CVR-no.: 35827943
<b>Bank</b>	Spar Nord Bank A/S Hostrupsvej 6 DK-7500 Holstebro

## **Management's Review**

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

The Company's principal activities consist in - together with the parent company - the development of "the world's smartest Microphone". The pretext "smart" covers a wide range of features, which really makes the product smart compared to competing products.

### **Development in activities and the financial situation**

The Company's Income Statement of the financial year 1 January 2021 - 31 December 2021 shows a result of DKK 0 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 1.903 and an equity of DKK -19.723.

### **Material changes in the Company's operations and financial matters**

There have been no significant changes in the company's activities.

## **Instamic IVS under frivillig likvidation**

### **Accounting Policies**

#### **Reporting Class**

The Annual Report of Instamic IVS under frivillig likvidation for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with the option of individual rules from reporting class C.

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 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, change in inventories of finished goods, work in progress and goods for resale, other operation income, cost of raw and consumables and other external expenses.

#### **Revenue**

Income from delivery of services is recognised on a straight-line basis in net sales, as the service is delivered.

## **Instamic IVS under frivillig likvidation**

### **Accounting Policies**

#### **Other external expenses**

Other external expenses comprise expenses regarding administration.

#### **Amortisation and impairment of tangible and intangible assets**

Amortisation and impairment of intangible and tangible assets 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:

	<b>Useful life</b>	<b>Residual value</b>
Completed development projects	5 years	0%

Profit or loss resulting from the sale of intangible or tangible assets 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 on 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 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.

### **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.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank.

#### **Equity**

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

## **Instamic IVS under frivillig likvidation**

### **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.

#### **Provisions**

##### **Deferred tax**

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

##### **Liabilities**

Liabilities 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.

## Instamic IVS under frivillig likvidation

### Income Statement

	Note	2021 DKK	2020 DKK
<b>Gross profit</b>		<b>0</b>	<b>-1.750</b>
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		0	-325.735
<b>Profit from ordinary operating activities</b>		<b>0</b>	<b>-327.485</b>
Finance expences		0	-21
<b>Profit from ordinary activities before tax</b>		<b>0</b>	<b>-327.506</b>
Tax expense on ordinary activities		0	69.728
<b>Profit</b>		<b>0</b>	<b>-257.778</b>
<b>Proposed distribution of results</b>			
Other statutory reserves		0	-254.073
Retained earnings		0	-3.705
<b>Distribution of profit</b>		<b>0</b>	<b>-257.778</b>

Instamic IVS under frivillig likvidation

Balance Sheet as of 31 December

	Note	2021 DKK	2020 DKK
Assets			
Cash and cash equivalents		<u>1.903</u>	<u>1.903</u>
Current assets		<u>1.903</u>	<u>1.903</u>
Assets		<u>1.903</u>	<u>1.903</u>

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Balance Sheet as of 31 December

	Note	2021 DKK	2020 DKK
<b>Liabilities and equity</b>			
Contributed capital		1	1
Retained earnings		-19.724	-19.724
<b>Equity</b>		<b>-19.723</b>	<b>-19.723</b>
Payables to group enterprises		21.613	21.613
Other payables		13	13
<b>Short-term liabilities other than provisions</b>		<b>21.626</b>	<b>21.626</b>
<b>Liabilities other than provisions within the business</b>		<b>21.626</b>	<b>21.626</b>
<b>Liabilities and equity</b>		<b>1.903</b>	<b>1.903</b>
Contingent liabilities	1		
Collaterals and assets pledges as security	2		

## **Instamic IVS under frivillig likvidation**

### **Notes**

#### **1. Contingent liabilities**

No contingent liabilities exist at the balance sheet date.

#### **2. Collaterals and securities**

No securities or mortgages exist at the balance sheet date.