



Pento ApS

Bredgade 6
1260 København K
CVR No. 37959383

Annual report 2022

The Annual General Meeting adopted the
annual report on 30.06.2023

Jonas Bøgh Larsen

Chairman of the General Meeting

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Entity details

Entity

Pento ApS

Bredgade 6

1260 København K

Business Registration No.: 37959383

Registered office: Copenhagen

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Jonas Bøgh Larsen, chairman

Peter Emil Hagbarth Rasmussen

Adam Alexander Valkin

Executive Board

Jonas Bøgh Larsen, director

Peter Emil Hagbarth Rasmussen, director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Pento ApS for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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.

Copenhagen, 30.06.2023

Executive Board

Jonas Bøgh Larsen
director

Peter Emil Hagbarth Rasmussen
director

Board of Directors

Jonas Bøgh Larsen
chairman

Peter Emil Hagbarth Rasmussen

Adam Alexander Valkin

Independent auditor's report

To the shareholders of Pento ApS

Opinion

We have audited the financial statements of Pento ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 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 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. 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 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.

Copenhagen, 30.06.2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Claus Jorch Andersen

State Authorised Public Accountant

Identification No (MNE) mne33712

Management commentary

Primary activities

The Company's primary activity is selling cloud based payroll software and also related business.

Development in activities and finances

The net loss for the year is TDKK 54,975 and equity is TDKK 254,719 and is considered to be within the expected range.

The Company is focussed on selling solely within the United Kingdom, therefore there is no revenue attributable to the Danish entity. The Company continues to develop Company's cloud based payroll software which is used by the group companies.

Unusual circumstances affecting recognition and measurement

Upon review in 2022 of previously capitalised development, it has been determined by the Company that the immediate expense of development costs to the statement of Profit and Loss is a more appropriate practice, given the Company's agile method of development, uncertainty in the use and value of any such assets, and given that it is not possible to reliably measure and determine the lifetime over which such an asset should be amortized. Effective 1 Jan 2022, the Company has therefore disposed of all previously capitalized IP & recognised this as an expense in the financial year 2022, and will immediately expense development costs to the statement of Profit and Loss going forwards

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		(38,006,232)	(7,045,908)
Staff costs	1	(3,583,839)	(3,617,867)
Depreciation, amortisation and impairment losses	2	(8,983,816)	(2,359,606)
Other operating expenses	3	(23,945,876)	(16,287,088)
Operating profit/loss		(74,519,763)	(29,310,469)
Other financial income	4	18,302,655	99,761
Other financial expenses	5	(51,973)	(35,500)
Profit/loss before tax		(56,269,081)	(29,246,208)
Tax on profit/loss for the year	6	1,294,543	965,178
Profit/loss for the year		(54,974,538)	(28,281,030)
Proposed distribution of profit and loss			
Retained earnings		(54,974,538)	(28,281,030)
Proposed distribution of profit and loss		(54,974,538)	(28,281,030)

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	8	0	8,953,462
Intangible assets	7	0	8,953,462
Other fixtures and fittings, tools and equipment		50,746	53,995
Property, plant and equipment	9	50,746	53,995
Investments in group enterprises		0	0
Deposits		58,169	56,992
Financial assets	10	58,169	56,992
Fixed assets		108,915	9,064,449
Trade receivables		0	31,537
Receivables from group enterprises		3,195,685	435,145
Other receivables		799,484	443,014
Prepayments		441,646	686,435
Receivables		4,436,815	1,596,131
Cash		251,013,896	301,963,749
Current assets		255,450,711	303,559,880
Assets		255,559,626	312,624,329

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital	11	159,465	159,465
Reserve for development expenditure		0	8,953,462
Retained earnings		254,559,861	300,580,937
Equity		254,719,326	309,693,864
Trade payables		297,888	1,814,019
Other payables		542,412	1,070,411
Deferred income		0	46,035
Current liabilities other than provisions		840,300	2,930,465
Liabilities other than provisions		840,300	2,930,465
Equity and liabilities		255,559,626	312,624,329
Unrecognised rental and lease commitments	12		
Assets charged and collateral	13		

Statement of changes in equity for 2022

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	159,465	8,953,462	300,580,937	309,693,864
Dissolution of reserves	0	(8,953,462)	8,953,462	0
Profit/loss for the year	0	0	(54,974,538)	(54,974,538)
Equity end of year	159,465	0	254,559,861	254,719,326

For the purpose of offering incentive pay in the form of share options, the Company's Board of Directors are authorised for the period until 2 September 2024 once or several times to increase the Company's share capital with up to nominally 19,483.14 shares in total without pre-emption right for the Company's shareholders. The authorisation empowers the Board of Directors to determine the terms for the granted share options, including the exercise price.

Notes

1 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	3,542,536	3,582,309
Other social security costs	41,303	35,558
	3,583,839	3,617,867
Average number of full-time employees	5	5

2 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Amortisation of intangible assets	0	2,340,645
Impairment losses on intangible assets	8,953,462	0
Depreciation of property, plant and equipment	30,354	18,961
	8,983,816	2,359,606

3 Other operating expenses

Other operating expenses include costs that are secondary to the company's activities. For the current fiscal year, other operating expenses comprise of costs regarding transfer pricing adjustments.

4 Other financial income

	2022	2021
	DKK	DKK
Financial income from group enterprises	185,135	23,145
Other interest income	3,457,877	0
Exchange rate adjustments	14,659,643	76,616
	18,302,655	99,761

5 Other financial expenses

	2022	2021
	DKK	DKK
Other interest expenses	3,326	35,500
Other financial expenses	48,647	0
	51,973	35,500

6 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	(1,294,543)	(965,178)
	(1,294,543)	(965,178)

7 Intangible assets

	Completed development projects DKK
Cost beginning of year	12,823,634
Cost end of year	12,823,634
Amortisation and impairment losses beginning of year	(3,870,172)
Impairment losses for the year	(8,953,462)
Amortisation and impairment losses end of year	(12,823,634)
Carrying amount end of year	0

Management has chosen to write down the value of development projects to DKK 0 due to uncertainties regarding future financial benefits. Management has no doubt about the use of the platform and that financial benefits will be achieved by the company, but uncertainties exist on the time period of these financial benefits.

8 Development projects

Completed development projects relates to the Company and subsidiary's cloud based payroll software which the Company and subsidiary uses in its operations. The payroll software is used by the subsidiary's customers. The payroll software is continuously further developed by the Company.

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	86,084
Additions	27,105
Cost end of year	113,189
Depreciation and impairment losses beginning of year	(32,089)
Depreciation for the year	(30,354)
Depreciation and impairment losses end of year	(62,443)
Carrying amount end of year	50,746

10 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	9	56,992
Additions	0	1,530
Disposals	0	(353)
Cost end of year	9	58,169
Impairment losses beginning of year	(9)	0
Impairment losses end of year	(9)	0
Carrying amount end of year	0	58,169

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
Pento Services Limited	England	Ltd.	100	1,853,054	613,235

11 Share capital

	Number
A1 shares	47,651
B1 shares	43,104
B2 shares	1,779
B3 shares	29,390
B4 shares	37,541
	159,465

12 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	50,985	54,071

13 Assets charged and collateral

There are no mortgages or assets charged as collateral.

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, with a few reclassifications.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements

from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, own work capitalised, other operating income and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Own work capitalised

Own work capitalised comprises staff costs and other external costs incurred in the financial year and recognised in cost for development projects.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

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. This item also includes writedowns of receivables recognised in current assets.

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 intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises and payables and transactions in foreign currencies etc.

Other financial expenses

Other financial expenses comprise interest expenses, including payables and transactions in foreign currencies, and tax surcharge under the Danish Tax Prepayment Scheme etc.

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**Intellectual property rights etc.**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 4 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment 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:

	Useful life
Other fixtures and fittings, tools and equipment	3 years

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.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments 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.

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.