



Krizo ApS

Højbro Plads 10, 3.
1200 Copenhagen K
CVR No. 38141767

Annual report 2020

The Annual General Meeting adopted the
annual report on 11.05.2021

Christian Læsø Jensen

Chairman of the General Meeting

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Entity details

Entity

Krizo ApS

Højbro Plads 10, 3.

1200 Copenhagen K

CVR No.: 38141767

Registered office: Copenhagen

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Morten Pedersen

Thomas Black-Petersen

Magnus Blæsbjerg Josias

Søren Holkenfeldt Behrendt Berg

Executive Board

Emil Pfeiffer Stenbøg

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 Krizo ApS for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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.

København, 11.05.2021

Executive Board

Emil Pfeiffer Stenbøg

Board of Directors

Morten Pedersen

Thomas Black-Petersen

Magnus Blæsbjerg Josias

Søren Holkenfeldt Behrendt Berg

Independent auditor's report

To the shareholders of Krizo ApS

Opinion

We have audited the financial statements of Krizo ApS for the financial year 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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.

København, 11.05.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Fauerskov

State Authorised Public Accountant
Identification No (MNE) mne35428

Rasmus Villadsen Madsen

State Authorised Public Accountant
Identification No (MNE) mne45822

Management commentary

Primary activities

Krizo is a Software as a service (SaaS) company developing best-in-class digital tools for 'Critical Event Management' a description that covers the handling of critical incidents as well as preparatory training and learning in these areas.

Krizo was created to ensure that Danish and international companies are prepared and ready to handle unforeseen events. Through focused training and development of the companies' level of preparedness, rapid return to normal operations is ensured. This is of great importance to Krizo's customers, both financially and in terms of potential reputational damages.

Krizo is developed in close dialogue with the company's customers and experts. This close customer dialogue ensures that all known issues and nuances are captured and always integrated in the development of the latest versions of the software.

Goals

Krizo's goal is to become the leading global developer of software solutions, specifically targeting unforeseen events. Krizo aspires to become the most innovative software developer and ensure customers the best product available on the market, with solutions that support the growing need for efficient remote work, as a consequence of unforeseen events such as Covid-19.

Furthermore, Krizo seeks to facilitate the migration - from analog handling of unforeseen events to a more effective digital overview and documentation. This will support the growing global trend of being able to work efficiently from the distance, and thereby ensuring more robust companies. It is in this global macro development that Krizo's goal of rapid scaling and international growth is anchored.

Development in activities and finances

2020 was a vastly challenging year due to the Covid-19 related travel restrictions, as the company's most important sales channels (physical events and conferences) were no longer possible. Nevertheless, the company managed to expand its customer portfolio through some major international sales primarily in the areas of finance, tech and cyber security. At the turn of the year, Krizo's customer portfolio consists of 70% international customers, of which 30% are in the financial sector.

Covid-19 has cut into many companies' budgets and postponed several scheduled orders. Krizo is also experiencing this slowdown in new sales, however the company expects their known sales cycles and channels will normalize during 2021. In the long term, Covid-19 is not expected to have an impact on the company's development. It is management's assessment that the capital injection from recent investment rounds (from both new and existing investors) has provided the company with sufficient liquidity to continue operations well into 2022.

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. In relation to the effects of Covid-19, see above.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss	1	(456,860)	(380,455)
Staff costs	2	(1,089,054)	(517,772)
Depreciation, amortisation and impairment losses	3	(1,293,341)	0
Operating profit/loss		(2,839,255)	(898,227)
Other financial income		5,017	0
Other financial expenses		(240,068)	(3,344)
Profit/loss before tax		(3,074,306)	(901,571)
Tax on profit/loss for the year	4	283,793	0
Profit/loss for the year		(2,790,513)	(901,571)
Proposed distribution of profit and loss			
Retained earnings		(2,790,513)	(901,571)
Proposed distribution of profit and loss		(2,790,513)	(901,571)

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Completed development projects	6	3,835,208	0
Development projects in progress	6	0	2,620,400
Intangible assets	5	3,835,208	2,620,400
Other fixtures and fittings, tools and equipment		13,779	0
Property, plant and equipment	7	13,779	0
Deposits		0	25,525
Financial assets		0	25,525
Fixed assets		3,848,987	2,645,925
Trade receivables		27,301	75
Other receivables		1,596,442	288,217
Income tax receivable		551,304	0
Prepayments		81,808	0
Receivables		2,256,855	288,292
Cash		939,386	1,847,300
Current assets		3,196,241	2,135,592
Assets		7,045,228	4,781,517

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital	8	101,866	73,629
Reserve for development expenditure		2,991,462	2,043,912
Retained earnings		(1,212,417)	76,564
Equity		1,880,911	2,194,105
Deferred tax		844,000	576,489
Provisions		844,000	576,489
Convertible and dividend-yielding debt instruments		2,218,722	1,500,000
Other payables		125,260	0
Non-current liabilities other than provisions	9	2,343,982	1,500,000
Trade payables		780,735	250
Payables to shareholders and management		5,629	7,414
Other payables		573,558	166,844
Deferred income		616,413	336,415
Current liabilities other than provisions		1,976,335	510,923
Liabilities other than provisions		4,320,317	2,010,923
Equity and liabilities		7,045,228	4,781,517

Statement of changes in equity for 2020

	Contributed capital DKK	Share premium DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	73,629	0	2,043,912	76,564	2,194,105
Increase of capital	28,237	2,127,472	0	0	2,155,709
Transferred from share premium	0	(2,127,472)	0	2,127,472	0
Purchase of treasury shares	0	0	0	(6,679)	(6,679)
Sale of treasury shares	0	0	0	328,289	328,289
Transfer to reserves	0	0	947,550	(947,550)	0
Profit/loss for the year	0	0	0	(2,790,513)	(2,790,513)
Equity end of year	101,866	0	2,991,462	(1,212,417)	1,880,911

Treasury shares

The company has acquired 667,933 treasury shares with a nominal value of 6,679, from former employees in relation to their departure from Krizo ApS. The purchase price was 6,679 DKK.

The treasury shares have afterwards been disposed to employees and other key personnel in Krizo ApS with a total selling price of 328,289 DKK.

Notes

1 Gross profit/loss

The gross profit includes 60 t.DKK regarding compensation in relation to Covid-19.

2 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	2,785,258	1,705,055
Other social security costs	34,153	10,472
Other staff costs	129,092	62,323
	2,948,503	1,777,850
Staff costs classified as assets	(1,859,449)	(1,260,078)
	1,089,054	517,772
Average number of full-time employees	6	5

3 Depreciation, amortisation and impairment losses

	2020 DKK	2019 DKK
Amortisation of intangible assets	1,291,121	0
Depreciation of property, plant and equipment	2,220	0
	1,293,341	0

4 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	(551,304)	0
Change in deferred tax	267,511	0
	(283,793)	0

5 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Transfers	2,620,400	(2,620,400)
Additions	2,505,929	2,620,400
Cost end of year	5,126,329	0
Amortisation for the year	(1,291,121)	0
Amortisation and impairment losses end of year	(1,291,121)	0
Carrying amount end of year	3,835,208	0

6 Development projects

The company's development projects are related to the development of digital tools for handling crisis situations in both Danish and international entities. Development projects consist of software to support handling of these situations. The company expects the development projects to generate net positive cash-flow.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Additions	15,999
Cost end of year	15,999
Depreciation for the year	(2,220)
Depreciation and impairment losses end of year	(2,220)
Carrying amount end of year	13,779

8 Share capital

Warrants

In the period 2018-2020 the company issued warrants and stock options to Management and other key personnel. As of 31 December 2020, the total issued warrants amounts to 1.085.987. The warrants and stock options provide management and other key personnel the right to purchase shares at a strike price between 0,01 - 1,1244 DKK. On a fully diluted basis this amounts to 9,63% of the share capital. The majority of warrants have been issued with vesting plans between 2 and 4 years. A minor share of the warrants have no vesting plan.

9 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK
Convertible and dividend-yielding debt instruments	2,218,722
Other payables	125,260
	2,343,982

Other non-current payables consists of holiday pay in relation to the Danish Holiday Act.

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 certain provisions for reporting class C.

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

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales, 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 from licenses is recognised over the contract period

Revenue is recognised 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.

Cost of sales

Cost of sales comprises costs related to the sale of services measured at cost.

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

Other financial income

Other financial income comprises interest income, including interest income on net capital or exchange gains on securities, payables and transactions in foreign currencies, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, 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 with related intellectual property rights.

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 5 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:

Other fixtures and fittings, tools and equipment	3 years
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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.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

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

Cash

Cash comprises bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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.