BUUS JENSEN
Statsautoriserede
Revisorer

Introdus ApS

Tuborg Havnevej 7, 3., 2900 Hellerup

Company reg. no. 38 23 93 09

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 23 May 2023.

Søren Elmann Ingerslev
Chairman of the meeting

Contents

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of Introdus ApS for the financial year 1 January - 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Hellerup, 23 May 2023

Executive board

Kasper Ulf Skaarup-Nielsen CEO	Anders Thorup Nielsen

Board of directors

Søren Elmann Ingerslev chairman	Torben Tindbæk Haase	Torben Tolstøj

Independent auditor's report

To the Shareholders of Introdus ApS

Opinion

We have audited the financial statements of Introdus ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 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 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 (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.

Material Uncertainty Related to Going Concern

As stated in note 1, it is a material condition for the company’s ability to continue as a going concern that the company can realize the budgeted significant growth in new customers and revenue in accordance with the budget for 2023. Based on the budget, Management expects to have the necessary liquidity to finance the planned activities for the coming year. Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to note 2 of the financial statements which describe the uncertainty and unpredictability related to the recognized development projects with a carrying amount of 14.098 T.DKK, cf. note 5, and goodwill with a carrying amount of 2.585 T.DKK, cf. note 6. Our opinion is not modified in respect of this matter.

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 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.

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.

Independent auditor's report

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, 23 May 2023

BUUS JENSEN
State Authorised Public Accountants
Company reg. no. 16 11 90 40

Michael Markussen
State Authorised Public Accountant
mne34295

Company information

The company	Introdus ApS Tuborg Havnevej 7, 3. 2900 Hellerup	
	Company reg. no.	38 23 93 09
	Established:	7 December 2016
	Domicile:	Gentofte
	Financial year:	1 January - 31 December
Board of directors	Søren Elmann Ingerslev, chairman Torben Tindbæk Haase Torben Tolstøj	
Executive board	Kasper Ulf Skaarup-Nielsen, CEO Anders Thorup Nielsen	
Auditors	BUUS JENSEN, Statsautoriserede revisorer	
Parent company	Introdus Holding ApS	

Description of key activities of the company

The company's main activities are to conduct business with the development and sale of Employee Onboarding Software to Danish and international enterprises.

Uncertainties connected with recognition or measurement

Management refers to note 1 in the financial statements, in which the management describes the uncertainties concerning the company’s ability to continue as a going concern.

Management refers to note 2 in the financial statements, in which the management describes the uncertainties concerning the recognition and measurement of the intangible assets with a total carrying amount of 16.682 T.DKK as on 31 December 2022.

Development in activities and financial matters

The gross profit for the year totals DKK 489.000 against DKK 1.752.000 last year. Income or loss from ordinary activities after tax totals DKK -5.624.000 against DKK -2.065.000 last year. Management considers the net profit or loss for the year unsatisfactory.

On 7 December 2022, the company merged with Leapeo ApS, CVR-no. 36 39 55 16, with Introdus A/S as the continuing enterprise. The merger was recognized after the acquisition method. The merger was completed via the issue of shares in Introdus A/S, nom. 47.636 shares with a value of 10.500 T.DKK, cf. the statement of change in equity.

The merger with Leapeo ApS has had a number of positive elements for Introdus A/S which puts the joint company in a better position to realize the significant growth potential:

- The product is now much stronger with an end-to-end solution for Pre & Onboarding. We now have both the deep analytical capabilities combined with the technological platform which makes our product applicable to all types of companies and employee types.
- The joint team is stronger and more capable of executing on the growth strategy. We now have the strategic, commercial, and technical skills to continuously develop both the product offering, the go-to-market strategy, and financial development.
- The synergies from the merger are allowing us to grow faster with a smaller cost base. We have been able to significantly reduce the expenses while growing the topline.

All of these elements are resulting in positive developments for both existing clients who renew and buy more, as well as new clients who buy into Introdus. This means that we have a positive view of our ability to deliver against the budget for 2023.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2022	2021
	Gross profit	**488.593**	**1.751.791**
3	Staff costs	-3.752.963	-2.776.944
	Amortisation and impairment of intangibleassets	-2.385.380	-1.281.166
	Operating profit	**-5.649.750**	**-2.306.319**
	Other financial income	2.153	35
4	Other financial expenses	-225.572	-185.082
	Pre-tax net profit or loss	**-5.873.169**	**-2.491.366**
	Tax on net profit or loss for the year	249.251	426.116
	Net profit or loss for the year	**-5.623.918**	**-2.065.250**
	Proposed distribution of net profit:		
	Transferred to other statutory reserves	-806.046	1.302.663
	Allocated from retained earnings	-4.817.872	-3.367.913
	Total allocations and transfers	**-5.623.918**	**-2.065.250**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2022	2021
	Non-current assets		
5	Completed development projects, including patents and similar rights arising from development projects	14.097.894	4.792.995
6	Goodwill	2.584.572	0
	Total intangible assets	16.682.466	4.792.995
7	Other receivables	56.918	86.250
	Total investments	56.918	86.250
	Total non-current assets	**16.739.384**	**4.879.245**
	Current assets		
	Trade receivables	184.194	388.308
	Income tax receivables	249.251	649.274
	Other receivables	322.269	340.581
	Prepayments	67.275	43.753
	Total receivables	822.989	1.421.916
	Cash and cash equivalents	2.790.087	602.868
	Total current assets	**3.613.076**	**2.024.784**
	Total assets	**20.352.460**	**6.904.029**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2022	2021
	Equity		
	Contributed capital	136.103	74.697
	Share premium	0	0
	Reserve for development costs	2.932.490	3.738.536
	Retained earnings	6.053.543	-3.098.250
	Total equity	**9.122.136**	**714.983**
	Liabilities other than provisions		
	Other mortgage debt	4.455.268	2.140.526
	Convertible debt instruments	0	865.422
	Other payables	247.935	67.508
	Deferred income	516.446	0
8	Total long term liabilities other than provisions	5.219.649	3.073.456
	Trade payables	825.517	311.081
	Payables to group enterprises	2.629.397	0
	Other payables	751.216	1.104.452
	Deferred income	1.804.545	1.700.057
	Total short term liabilities other than provisions	6.010.675	3.115.590
	Total liabilities other than provisions	**11.230.324**	**6.189.046**
	Total equity and liabilities	**20.352.460**	**6.904.029**

1 Uncertainties relating to going concern

2 Uncertainties concerning recognition and measurement

9 Charges and security

10 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Reserve for contributed capital not paid	Reserve for development costs	Retained earnings	Total
Equity 1 January 2021	74.697	0	1.000.134	2.435.873	-730.472	2.780.232
Results for the year	0	0	0	1.302.663	-3.367.912	-2.065.249
Contributed capital paid for the year	0	0	-1.000.134	0	1.000.134	0
Equity 1 January 2022	74.697	0	0	3.738.536	-3.098.250	714.983
Cash capital increase	9.849	2.410.056	0	0	0	2.419.905
Conversion of debt	3.921	1.107.245	0	0	0	1.111.166
Business Combinations	47.636	10.452.364	0	0	0	10.500.000
Results for the year	0	0	0	-806.046	-4.817.872	-5.623.918
Transferred to retained earnings	0	-13.969.665	0	0	13.969.665	0
	136.103	**0**	**0**	**2.932.490**	**6.053.543**	**9.122.136**

Notes

All amounts in DKK.

	2022	2021

1. Uncertainties relating to going concern

The company has incurred a net loss of 5.624 T.DKK during the year ended 31 December 2022. The company is still not cash-positive in 2023 when the financial statements are issued, and therefore the liquidity is tight.

To ensure the necessary liquidity to finance the planned activities for 2023, the Introdus Group completed a capital increase of 2.600 T.DKK in December 2022 after the merger with Leapeo ApS.

According to the budget for 2023, the company has sufficient liquidity to finance the planned activities for 2023. The budget is based on a significant growth in new customers and revenue. It is a material condition for the company's ability to continue as a going concern that these assumptions are being met.

Based on the above actions and assumptions, Management expects to have the necessary liquidity to finance the planned activities for the coming year. The financial statements have been prepared in accordance with the going concern principle.

2. Uncertainties concerning recognition and measurement

The Company has recognized development projects with a carrying amount of 14.098 T.DKK, cf. note 5, and goodwill with a carrying amount of 2.585 T.DKK, cf. note 6. The estimates and judgments made are based on budgets and business plans for the coming years, as well as market conditions outside the company's control, but that, by nature, are associated with uncertainty and unpredictability and may therefore prove incomplete or incorrect.

3. Staff costs

	2022	2021
Salaries and wages	3.682.661	2.725.790
Pension costs	2.000	0
Other costs for social security	68.302	51.154
	3.752.963	**2.776.944**
Average number of employees	8	7

The company has adopted an incentive program for its employees and management. The company has issued a total of 10.953 warrants, giving the right to subscribe for shares of the company with a total nominal value of up to 10.953 DKK. Warrants will vest as set out in the individual Warrant Agreement. The Holder may exercise the vested Warrants in the period set out in the individual Warrant Agreement. Warrants and the exercise price per share are approved by the Board of Directors. The share-based remuneration is recognized in the income statement as salary costs and in equity when the warrants are exercised.

Notes

All amounts in DKK.

		2022	2021
4.	**Other financial expenses**		
	Other financial costs	225.572	185.082
		225.572	**185.082**

		2022	2021
5.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost 1 January 2022	7.881.454	4.930.207
	Additions concerning business combinations	10.513.517	0
	Additions during the year	1.132.956	2.951.247
	Disposals during the year	-3.519.041	0
	Cost 31 December 2022	**16.008.886**	**7.881.454**
	Amortisation and write-down 1 January 2022	-3.088.459	-1.807.293
	Amortisation and depreciation for the year	-1.309.820	-1.281.166
	Impairment loss for the year	-1.031.754	0
	Depreciation, amortisation and impairment loss for the year, assets disposed of	3.519.041	0
	Amortisation and write-down 31 December 2022	**-1.910.992**	**-3.088.459**
	Carrying amount, 31 December 2022	**14.097.894**	**4.792.995**

		2022	2021
6.	**Goodwill**		
	Cost 1 January 2022	0	0
	Additions concerning business combinations	2.628.378	0
	Cost 31 December 2022	**2.628.378**	**0**
	Amortisation and write-down 1 January 2022	0	0
	Amortisation and depreciation for the year	-43.806	0
	Amortisation and write-down 31 December 2022	**-43.806**	**0**
	Carrying amount, 31 December 2022	**2.584.572**	**0**

All amounts in DKK.

		31/12 2022	31/12 2021
7.	**Other receivables**		
	Cost 1 January 2022	86.250	31.500
	Additions during the year	0	86.250
	Disposals during the year	-29.332	-31.500
	Cost 31 December 2022	**56.918**	**86.250**
	Carrying amount, 31 December 2022	**56.918**	**86.250**
	To be specified as follows:		
	Deposits	56.918	86.250
		56.918	**86.250**

8. Long term labilities other than provisions

	Total payables 31 Dec 2022	Current portion of long term payables	Long term payables 31 Dec 2022	Outstanding payables after 5 years
Other mortgage debt	4.455.268	0	4.455.268	0
Other payables	247.935	0	247.935	0
Deferred income	516.446	0	516.446	0
	5.219.649	**0**	**5.219.649**	**0**

9. Charges and security

For other mortgage debt (Vækstfonden), 2.255 T.DKK, the company has provided security in company assets representing a nominal value of DKK 2.000 T.DKK. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Completed development projects, including patents and similar rights arising from development projects	14.098
Goodwill	2.585
Trade receivables	184

All amounts in DKK.

10. Contingencies

Contingent liabilities

	DKK in thousands
Lease liabilities	160
Total contingent liabilities	**160**

Joint taxation

With Introdus Holding ApS, company reg. no 43 71 29 42 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

Accounting policies

The annual report for Introdus ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Misstatements:
Staff cost and other internal costs incurred during the financial year and recognized in the cost of proprietary intangible and tangible fixed assets" have been reclassified so that the value of the capitalized expenses are recognized as an income under the item "Own work capitalized" in the Income Statement instead of being deducted in the items "Staff costs" and "Other external charges".

The item "Staff costs" has been reclassified so that certain types of expenses previously recognised under "Staff costs" will, in the future, be recognised under the item "Other external charges".

The changes in classifications due to misstatements prior years have no effect on the net profit or loss for the year, nor on the statement of financial position, neither for the current financial year nor the previous financial year. The comparative figures have been adjusted in accordance with the reclassifications.

Business combinations:
On 7 December 2022, the company merged with Leapeo ApS, CVR-no. 36 39 55 16, with Introdus A/S as the continuing enterprise. The merger was recognized after the acquisition method, cf. below. The merger was completed via the issue of shares in Introdus A/S, nom. 47.636 shares with a value of 10.500 T.DKK, cf. the statement of change in equity.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Business combinations

Acquisitions completed by the 1 July 2018 or later (measurement method)

Acquisition of enterprises and mergers are dealt with in accordance with the acquisition method, and afterwards the assets and liabilities of the acquired entity are measured at fair value at the date of acquisition.

The date of acquisition is the date when the group obtains control of the acquired entity.

The cost of the acquired entity represents the fair value of the consideration agreed upon, including the considerations that are conditional on future events. Transaction costs directly attributable to the acquisition of group enterprises are added to the equity investment.

Positive differences between the cost of the acquired entity and the identified assets and liabilities are recognised in the equity investment as goodwill, which is amortised on a straight-line basis in the income statement over the expected useful life. Amortisation of goodwill is allocated to the functions to which the goodwill relates. If the difference is negative, this is recognised immediately in the income statement.

If the allocation of the purchase price is not final, positive and negative differences may, as a result of changes in recognition and measurement of acquired net assets, be adjusted until the end of the financial year following the acquisition year. These adjustments are also reflected in the value of goodwill or negative goodwill, including depreciation already made.

Adjustment of contingent considerations after initial recognition is recognised directly with a counter entry on the original purchase price, whereby the value of goodwill or negative goodwill is corrected.

In the case of step acquisitions, the carrying amount of the existing equity investments is included in the cost price.

Income statement

Gross profit

Gross profit comprises the revenue, direct costs, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Direct costs comprises costs inccured to achieve the revenue for the year, including direct and indirect costs of raw materials and consumables.

Own work capitalised includes staff cost and other internal costs incurred during the financial year and recognised in the cost of proprietary intangible and tangible fixed assets.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including share-based payments, holiday allowances, pensions, and other social security costs, etc., for staff members.

The share-based remuneration is recognized in the income statement as salary costs and in equity when the warrants are exercised.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects

Development costs comprise salaries, wages, and amortisation directly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and write-downs for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is 5 years.

Profit and loss from the sale of development projects are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Goodwill
Acquired goodwill is measured at cost with deduction of accumulated amortisation. Goodwill is amortised over the estimated useful life, which is determined on the basis of management's experience in the individual business areas. Goodwill is amortised on a straightline basis over the amortisation period, which is set at 5 years.

Impairment loss relating to non-current assets
The carrying amount of intangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables
Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities. Additions arising from business combinations are not included in the reserve.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, Introdus ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other mortgage loans (Vækstfonden) and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Convertible debt instruments

Convertible debt instruments are issued at a fixed conversion price and is regarded as composite instruments comprising a financial liability measured at amortised cost and an equity instrument in the form of the integral conversion right. Fair value of the financial liability is determined on the date of issue by applying a market rate for a similar non-convertible debt instrument. The difference between the proceeds from issuing the convertible debt instrument and the fair value of the financial liability, corresponding to the integral option to convert the liability to shareholders' equity, is recognised directly in the shareholders' equity. The value of the financial liability is recognised as long-term debts and subsequently measured at amortised cost. When extending convertible debt instruments, a calculation is made at amortised cost relative to the extension. Any difference is recognised in the income statement.

Deferred income

Payments received concerning future income are recognised under deferred income.