Kigen Denmark ApS

Ragnagade 7, 2100 København

Company reg. no. 38 43 37 09

Annual report

1 April 2021 - 31 March 2022

The annual report was submitted and approved by the general meeting on the 1 July 2022.

Kim Lüders-Jensen
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 Executive Board has approved the annual report of Kigen Denmark ApS for the financial year 1 April 2021 - 31 March 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 March 2022 and of the results of the Company's operations for the financial year 1 April 2021 – 31 March 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.

Copenhagen, 1 July 2022

Executive board

Kim Lüders-Jensen	Vincent Jeroen Korstanje

Independent auditor's report

To the shareholders of Kigen Denmark ApS

Opinion

We have audited the financial statements of Kigen Denmark ApS for the financial year 1 April 2021 - 31 March 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, 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 March 2022, and of the results of the Company's operations for the financial year 1 April 2021 - 31 March 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.

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.

Independent auditor's report

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 consolidated financial statements and the parent company 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 Group´s and 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 consolidated financial statements and the parent company 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 Group´s and 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 consolidated financial statements and the parent company 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 Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company 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 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.

Independent auditor's report

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, 1 July 2022

Deloitte
Statsautoriseret Revisionspartnerselskab
Company reg. no. 33 96 35 56

Christian Sanderhage
State Authorised Public Accountant
mne23347

Company information

The company	Kigen Denmark ApS Ragnagade 7 2100 København	
	Company reg. no.	38 43 37 09
	Established:	15 February 2017
	Domicile:	Copenhagen
	Financial year:	1 April 2021 - 31 March 2022 5th financial year
Executive board	Kim Lüders-Jensen Vincent Jeroen Korstanje	
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidenkampsgade 6 2300 København S	

The principal activities of the company

Like previous years, the company's principal activities are regarding information technology and related services.

Development in activities and financial matters

The gross profit for the year is DKK 16.765.389 against DKK 21.779.883 last year. The results from ordinary activities after tax are DKK 933.591 against DKK 1.185.960 last year. The management consider the results satisfactory.

Events subsequent to the financial year

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

Accounting policies

The annual report for Kigen Denmark 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.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concern matters existing on the balance sheet 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.

Income statement

Gross profit
With reference to section 32 of the Danish Financial Statements Act, certain income and expenses are summarized in the gross profit margin.

Gross profit or loss comprises revenue and external expenses.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external expenses include cost of sales, advertising, administration, buildings.

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Depreciation, amortisation and writedown
Amortisation, depreciation and impairment losses relating to plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

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 of the results for the year
The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

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

The balance sheet

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Refurnishment leased premises	3-5 years	0-20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Financial fixed assets

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of tangible 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. Writedown 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.

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.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available cash

Available cash comprises bank deposits. Available funds are measured at fair value.

Income tax and deferred tax

As administration company, Kigen Denmark ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

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 ”Income tax receivable” or “Income tax payable”.

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

Liabilities other than provisions

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

Income statement 1 April - 31 March

All amounts in DKK.

Note		2021/22	2020/21
	Gross profit	**16.765.389**	**21.779.883**
1	Staff costs	-15.104.508	-19.821.042
2	Depreciation and impairment of property, land, and equipment	-397.923	-398.384
	Operating profit	**1.262.958**	**1.560.457**
	Other financial income	0	18
	Other financial costs	-59.473	-39.852
	Pre-tax net profit or loss	**1.203.485**	**1.520.623**
3	Tax on net profit or loss for the year	-269.894	-334.663
	Net profit or loss for the year	**933.591**	**1.185.960**
	Proposed appropriation of net profit:		
	Transferred to retained earnings	933.591	1.185.960
	Total allocations and transfers	**933.591**	**1.185.960**

Balance sheet at 31 March

All amounts in DKK.

Note	Assets	2022	2021
	Non-current assets		
4	Refurnishment leased premises	178.239	245.726
5	Other fixtures and fittings, tools and equipment	804.520	1.134.956
	Total property, plant, and equipment	982.759	1.380.682
6	Deposits	366.977	364.249
	Total investments	366.977	364.249
	Total non-current assets	**1.349.736**	**1.744.931**
	Current assets		
	Receivables from subsidiaries	2.024.650	2.147.606
	Deferred tax assets	85.764	29.481
	Tax receivables from subsidiaries	35.794	0
	Other debtors	89.765	1.344.676
7	Prepayments and accrued income	81.326	34.680
	Total receivables	2.317.299	3.556.443
	Cash and cash equivalents	5.338.866	6.701.929
	Total current assets	**7.656.165**	**10.258.372**
	Total assets	**9.005.901**	**12.003.303**

Balance sheet at 31 March

All amounts in DKK.

Note	Equity and liabilities	2022	2021
	Equity		
	Contributed capital	50.000	50.000
	Results brought forward	4.529.273	3.595.682
	Total equity	**4.579.273**	**3.645.682**
	Long term labilities other than provisions		
	Other debts	0	1.501.446
	Total long term liabilities other than provisions	0	1.501.446
	Trade creditors	79.756	20.752
	Payables to subsidiaries	0	1.244.978
	Income tax payable	177.971	156.998
	Other payables	4.168.901	5.433.447
	Total short term liabilities other than provisions	4.426.628	6.856.175
	Total liabilities other than provisions	**4.426.628**	**8.357.621**
	Total equity and liabilities	**9.005.901**	**12.003.303**

8 Contingencies

9 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 April 2021	50.000	3.595.682	3.645.682
Profit or loss for the year brought forward	0	933.591	933.591
	50.000	**4.529.273**	**4.579.273**

Notes

All amounts in DKK.

		2021/22	2020/21
1.	**Staff costs**		
	Salaries and wages	14.286.866	18.817.957
	Pension costs	718.868	893.913
	Other costs for social security	98.774	109.172
		15.104.508	**19.821.042**
	Average number of employees	13	17
2.	**Depreciation and impairment of property, land, and equipment**		
	Depreciation on decoration of rented premises	67.487	67.487
	Depreciation on plants, operating assets, fixtures and furniture	330.436	330.897
		397.923	**398.384**
3.	**Tax on net profit or loss for the year**		
	Tax of the results for the year, parent company	326.177	448.998
	Adjustment for the year of deferred tax	-56.283	-114.335
		269.894	**334.663**
4.	**Refurnishment leased premises**		
	Cost 1 April 2021	337.507	324.787
	Additions during the year	0	12.720
	Cost 31 March 2022	**337.507**	**337.507**
	Depreciation and writedown 1 April 2021	-91.781	-24.294
	Depreciation for the year	-67.487	-67.487
	Depreciation and writedown 31 March 2022	**-159.268**	**-91.781**
	Carrying amount, 31 March 2022	**178.239**	**245.726**

Notes

All amounts in DKK.

		31/3 2022	31/3 2021
5.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 April 2021	1.649.725	1.649.725
	Cost 31 March 2022	**1.649.725**	**1.649.725**
	Depreciation and writedown 1 April 2021	-514.769	-183.872
	Depreciation for the year	-330.436	-330.897
	Depreciation and writedown 31 March 2022	**-845.205**	**-514.769**
	Carrying amount, 31 March 2022	**804.520**	**1.134.956**
6.	**Deposits**		
	Cost 1 April 2021	364.249	331.064
	Additions during the year	2.728	33.185
	Cost 31 March 2022	**366.977**	**364.249**
	Carrying amount, 31 March 2022	**366.977**	**364.249**

7. Prepayments and accrued income

Prepayments include accrual of expenses relating to subsequent financial years.

All amounts in DKK.

8. Contingencies

Contingent liabilities

	31/3 2022 DKK in thousands
Total contingent liabilities	342

Joint taxation

The company is jointly taxed with other group companies and is jointly liable with the other group companies for payable and unsettled corporation and withholding taxes. Any subsequent corrections to the corporate tax and withtholding taxes can lead to a higher liability for the Company.

Arm Denmark ApS has withdrawn from joint taxation scheme at 30/9 2021 and can not be liable for any tax claims against the other jointly taxed companies from the time of withdrawal from the joint taxation scheme.

9. Related parties

Transactions

No transactions with related parties were made in the financial year 2021/22, which were not made on an arm’s length basis.