Deloitte.

RightHub ApS

Skanderborgvej 238
8260 Viby J
CVR No. 38511874

Annual report 2022

The Annual General Meeting adopted the annual report on 26.06.2023

Toni Nijm
Chairman of the General Meeting

Contents

Entity details

Entity

RightHub ApS

Skanderborgvej 238

8260 Viby J

Business Registration No.: 38511874

Registered office: Aarhus

Financial year: 01.01.2022 - 31.12.2022

Executive Board

Jeppe Hudtloff Viinberg

Toni Nijm

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Executive Board has today considered and approved the annual report of RightHub 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.

Aarhus, 26.06.2023

Executive Board

Jeppe Hudtloff Viinberg **Toni Nijm**

Independent auditor's extended review report

To the shareholders of RightHub ApS

Conclusion

We have performed an extended review of the financial statements of RightHub 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.

Based on our extended review, 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 conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion 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 extended review 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 extended review 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 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.

Aarhus, 26.06.2023

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

The primary activity of the company is to provide and develop IT systems and related to IP rights.

Description of material changes in activities and finances

The Company realised a loss of DKK 7.968k for the financial year 2022. Management considers the result for the year as expected.

Doing the year 2022 former Rightly ApS has been merged with former group company Rightly Group ApS.

In the merger, the consolidation method (Book value method) has been used, wich is why no adjustments has been made to the comparative figures. On this basis the, the income statement and balance sheet for the financial year 2021 do not contain the financial figures of Rightly Group ApS.

As a result of the merger the law services provided previos years has been sold out, and is no longer a part of the primary activities in Righthub ApS.

The company has sufficient liquidity for continued operations. The company has received a declaration of support from the parent company. See note 1 for further details.

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	2	**7,304,834**	**4,614,921**
Staff costs	3	(9,315,684)	(10,755,652)
Depreciation, amortisation and impairment losses		(5,020,643)	(491,277)
Operating profit/loss		**(7,031,493)**	**(6,632,008)**
Other financial expenses	4	(1,651,853)	(147,099)
Profit/loss before tax		**(8,683,346)**	**(6,779,107)**
Tax on profit/loss for the year	5	715,031	704,975
Profit/loss for the year		**(7,968,315)**	**(6,074,132)**
Proposed distribution of profit and loss			
Retained earnings		(7,968,315)	(6,074,132)
Proposed distribution of profit and loss		**(7,968,315)**	**(6,074,132)**

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	7	8,696,138	0
Goodwill		4,957,296	0
Development projects in progress	7	308,370	0
Intangible assets	6	**13,961,804**	**0**
Other fixtures and fittings, tools and equipment		195,129	583,239
Leasehold improvements		453,589	93,236
Property, plant and equipment	8	**648,718**	**676,475**
Deposits		285,950	315,950
Financial assets		**285,950**	**315,950**
Fixed assets		**14,896,472**	**992,425**
Trade receivables		542,791	1,623,770
Receivables from group enterprises		0	3,546,246
Other receivables		558,783	153,699
Income tax receivable	9	1,161,945	0
Joint taxation contribution receivable		0	704,975
Prepayments		350,565	681,112
Receivables		**2,614,084**	**6,709,802**
Cash		**1,691,308**	**485,759**
Current assets		**4,305,392**	**7,195,561**
Assets		**19,201,864**	**8,187,986**

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		50,000	50,000
Reserve for development expenditure		7,023,516	0
Retained earnings		(4,501,186)	374,248
Equity		**2,572,330**	**424,248**
Deferred tax		0	19,000
Provisions		**0**	**19,000**
Other payables		282,104	446,232
Non-current liabilities other than provisions	10	**282,104**	**446,232**
Deposits		31,350	45,690
Trade payables		217,472	996,965
Payables to group enterprises		13,580,649	0
Payables to owners and management		0	81
Other payables		1,695,829	5,715,151
Deferred income		822,130	540,619
Current liabilities other than provisions		**16,347,430**	**7,298,506**
Liabilities other than provisions		**16,629,534**	**7,744,738**
Equity and liabilities		**19,201,864**	**8,187,986**
Going concern	1		

Statement of changes in equity for 2022

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	0	374,248	424,248
Effect of mergers and business combinations	0	0	10,116,397	10,116,397
Transfer to reserves	0	7,023,516	(7,023,516)	0
Profit/loss for the year	0	0	(7,968,315)	(7,968,315)
Equity end of year	**50,000**	**7,023,516**	**(4,501,186)**	**2,572,330**

In the financial year, the company was merged with Rightly Group ApS. The effect on the equity as a result of the merger consists of the equity in Rightly Group ApS as well as capital increases in the year,

Notes

1 Going concern

The company is part of the Righthub group and has received a declaration of support from Righthub Limited, which will therefore support the company if there is a lack of liquidity in the future. The group has drawn up operating and liquidity budgets, which show sufficient liquidity for the continued operation and development of the company.

2 Gross profit/loss

Includedd are "Other operating income" relating to grants from Innovationsfonden and Erhvervshus Midtjylland which is recognized with DKK 267.665 in 2022.

3 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	8,610,821	8,286,381
Pension costs	540,425	725,172
Other social security costs	164,438	207,477
Other staff costs	0	1,536,622
	9,315,684	**10,755,652**

Average number of full-time employees	**20**	**27**

4 Other financial expenses

	2022 DKK	2021 DKK
Financial expenses from group enterprises	0	71,248
Other interest expenses	166,108	19,382
Exchange rate adjustments	3,174	56,469
Other financial expenses	1,482,571	0
	1,651,853	**147,099**

Other financial expenses has increased because of bankloans and debt to other credit institutions in the merged Rightly Group ApS.

5 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	(1,161,945)	(704,975)
Change in deferred tax	19,000	0
Adjustment concerning previous years	427,914	0
	(715,031)	**(704,975)**

Adjustment concerning previous years concerns non-repayment from tax, regarding application for the tax credit scheme according to LL §8x.

6 Intangible assets

	Completed development projects DKK	Goodwill DKK	Development projects in progress DKK
Additions through business combinations etc.	9,143,767	6,362,304	1,100,098
Transfers	6,073,295	0	(6,073,295)
Additions	0	0	5,281,567
Cost end of year	**15,217,062**	**6,362,304**	**308,370**
Additions through business combinations etc.	(2,559,657)	(768,778)	0
Impairment losses for the year	(3,961,267)	(636,230)	0
Amortisation and impairment losses end of year	**(6,520,924)**	**(1,405,008)**	**0**
Carrying amount end of year	**8,696,138**	**4,957,296**	**308,370**

7 Development projects

The development projects consists of the Righthub platform and costs connected to the further development. In 2022 the work on the platform has continued with new features for the IBP development as well as more automated processes concerining IP rights.

It is the company's expectation that the development projects in progress are all technically possible to complete and that their economic lifetime can repay the total development costs. The development projects have thus not been written down in 2022. Depreciation is carried out over 3-5 years.

With reference to section 83(2) of the Danish Financial Statement Act, deferred tax is set off against the capitalized costs for development projects in the reserve for development costs under equity.

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,587,534	122,525
Additions	49,490	411,633
Disposals	(65,717)	0
Cost end of year	**1,571,307**	**534,158**
Depreciation and impairment losses beginning of year	(1,004,295)	(29,289)
Depreciation for the year	(403,522)	(51,280)
Reversal regarding disposals	31,639	0
Depreciation and impairment losses end of year	**(1,376,178)**	**(80,569)**
Carrying amount end of year	**195,129**	**453,589**

9 Tax receivable

Corporation tax receivable recognized in the balance sheet relates to the use of the tax credit scheme under section 8X of the Equalization Act, whereby the company can be paid the tax value of tax losses which originate from costs for research and development.

Based on the course of the criteria for applying the scheme, it is the review opinion that the company is entitled to use the scheme and the recognition has been made on the basis of this assessment.

However, whether the criteria for applying the scheme are met is based on a discretionary assessment. As a result, there may be a risk that the tax authorities assess that the criteria are not met. If applicable, the receivable will have to be reversed in whole or in part via the income statement in subsequent financial years.

10 Non-current liabilities other than provisions

	Due after more than 12 months 2022 DKK
Other payables	282,104
	282,104

Other payables consist of frozen holiday pay and deferred income consists of grants related to development projects. All non-current liabilities are expected to be realised within 5 years.

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.

Non-comparability

Doing the year 2022 former Rightly Group ApS has been merged with former group company Rightly Group ApS. In the merger, the consolidation method (Book value method) has been used, wich is why no adjustments has been made to the comparative figures. On this basis the, the income satement and balance sheet for the financial year 2021 do not contain the financial figures of Rightly Group ApS.

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.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised in intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

The uniting-of-interests method is applied on mergers where the enterprises concerned are controlled by the Parent. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity. The comparative figures are restated.

The uniting-of-interests method is applied on mergers of assets and exchanges of shares, etc. where the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

The modified uniting-of-interests method is applied to reverse vertical mergers in which the participating entities are subject to the Parent's control. Under this method, assets and liabilities of the participating entities are recognised at the amounts at which they are recognised in the consolidated financial statements of the parent forming part of the merger.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, own work capitalised, other operating income, cost of sales and other 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 costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

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 goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

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 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 expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, and amortisation of financial liabilities.

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

Goodwill
Goodwill is calculated as the difference between cost of investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, useful life has been determined based on an assessment of whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 7 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.
Intellectual property rights etc. comprise development projects completed and in progress 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 in the 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.

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 3-5 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 and leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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	3-5 years
Leasehold improvements	3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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.

Joint taxation contributions receivable or payable
For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

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

Cash
Cash comprises 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.