

And Simple ApS
Løngangstræde 20 2.
1468 København K
CVR no. 38 57 76 70

Annual report for 2023
(7th Financial year)

Adopted at the annual general
meeting on 6 March 2024

Francois Pierre Botha
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of And Simple ApS for the financial year 1 January - 31 December 2023.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 6 March 2024

Executive board

Francois Pierre Botha

Independent auditor's report on extended review

To the shareholder of And Simple ApS

Opinion

We have performed extended review of the financial statements of And Simple ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the performed work it is our opinion, that the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's standard on auditor's report for small enterprises and FSR - danish auditors' standard on extended review of financial statements in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for 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 and IESBA Code. We believe that the 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 responsibility for the extended review of the financial statements

Our responsibility is to express a conclusion on the accompanying financial statements. This requires us to perform procedures in order to obtain limited assurance for our conclusion on these financial statements, and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

Independent auditor's report on extended review

An extended review of financial statements includes procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.

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

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 extended review 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 extended review, 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 Statements Act. We did not identify any material misstatement of management's review.

Roskilde, 6 March 2024

Trekroner Revision A/S
Godkendte Revisorer
CVR no. 28 99 13 55

Linnea Weinreich
Statsautoriseret revisor
mne31382

Company details

The company

And Simple ApS
Løngangstræde 20 2.
1468 København K

CVR no.: 38 57 76 70

Reporting period: 1 January - 31 December 2023

Domicile: Copenhagen

Executive board

Francois Pierre Botha

Auditors

Trekroner Revision A/S
Godkendte Revisorer
Universitetsparken 2
4000 Roskilde

Management's review

Business review

The company's purpose is to deliver management consultancy and other related business.

Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of DKK 582.832, and the balance sheet at 31 December 2023 shows equity of DKK 7.969.207.

Management's review

1. BUSINESS REVIEW

2022 has been significant for Simple (And Simple Aps), a company primarily engaged in the fast-growing family office segment. Simple delivers a knowledge platform, a marketplace and various other advisory services to a global customer base. As a relatively new entrant in this industry, our online presence and market positioning have shown commendable strength and adaptability.

The robust increase in our user base is a testament to the company's effectiveness in delivering highly tailored content and services valued by our customers. Additionally, the steady increase in website traffic and several leading positions on search engines underlines our potential to extend our reach and impact further. With this solid base, we can sell our products and services to both the buy and sell sides, amplifying our potential revenue streams.

Backing our commercial activities is our young and ambitious sales organization (formed in June 2022) that supports our business in achieving its revenue goals. This solid foundation sets us up well for the future, allowing us to capitalize on the rapidly expanding segment and our continually growing user base.

Over the last nine months, we have also undertaken significant efforts to optimize our spending, successfully reducing our average monthly expenditure to a level below our average new sales. This has enabled us to improve our cost efficiency while maintaining the quality of our services and platform.

2. FINANCIAL REVIEW

Despite our strong operational performance, our financials for the year ending 31 December 2022 reflect the investment-heavy nature of our growth trajectory. The company's income statement shows a loss, mainly attributable to our intentional focus on investing in growth and enhancing our platform's capabilities.

The balance sheet as at 31 December 2022, also presents negative equity; however, it's crucial to underscore that these financials represent a snapshot of a business in a high-growth, investment phase.

Our financial decisions are guided by long-term value creation for our stakeholders. The investments we have made, and continue to make, are justified by the recurring nature of our current revenue streams. Two of our key revenue sources being annual subscriptions that have a multi-year track record of renewals with a 80%+ renewal rate. We are building a resilient, predictable revenue base that will, over time, deliver strong returns and contribute to the sustainability of our operations.

We anticipate a shift in our financial position as new investors are poised to enter our business, bringing additional capital. Besides that, the expected conversion of existing loan capital into equity should significantly improve our debt-equity ratios, thereby strengthening our balance sheet. We continue to navigate our growth phase with a calculated strategy, optimised operations and a view towards long-term profitability.

3. RESEARCH AND DEVELOPMENT ACTIVITIES

The company has undertaken significant research and development within the AI space, positioning ourselves for future growth. Given our existing trajectory and strategic investments, we are confident about our various R&D projects and a successful launch, expected to be online

Management's review

by late 2023 or early 2024.

After the launch, we anticipate a positive impact on our annual result for 2025 and onwards. Furthermore, we project that the results for 2023 and 2024 will balance, thanks to our robust strategies and the effective execution of our business model.

We are confident in our future prospects and remain committed to providing high-quality services to our growing customer base, thereby delivering long-term value to our stakeholders.

Accounting policies

The annual report of And Simple ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, other operating income and other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Accounting policies

Other operating income

The item Other operating income includes items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment, operating losses, indemnities relating to operating losses and conflicts as well as payroll refunds. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Balance sheet

Intangible assets

Development projects

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually four years.

Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Accounting policies

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Operating assets	4 years	0 %

Assets costing less than DKK 32.000 are expensed in the year of acquisition.

Receivables

Receivables are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Income tax and deferred tax

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Gross profit		1.003.846	-192.544
Staff costs	1	<u>-1.712.329</u>	<u>-1.218.203</u>
Profit/loss before net financials		-708.483	-1.410.747
Financial income		23.591	10.633
Financial costs		<u>-338.459</u>	<u>-375.984</u>
Profit/loss before tax		-1.023.351	-1.776.098
Tax on profit/loss for the year	2	<u>440.519</u>	<u>0</u>
Profit/loss for the year		<u>-582.832</u>	<u>-1.776.098</u>
Retained earnings		<u>-582.832</u>	<u>-1.776.098</u>
		<u>-582.832</u>	<u>-1.776.098</u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Assets			
Development projects in progress		5.340.888	3.472.183
Intangible assets		5.340.888	3.472.183
Deposits		28.000	28.000
Fixed asset investments		28.000	28.000
Total non-current assets		5.368.888	3.500.183
Trade receivables		337.821	441.886
Other receivables		62.962	90.223
Deferred tax asset	3	75.836	75.836
Receivables		476.619	607.945
Cash at bank and in hand		3.146.550	1.147.387
Total current assets		3.623.169	1.755.332
Total assets		8.992.057	5.255.515

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Equity and liabilities			
Share capital		62.625	40.000
Reserve for development expenditure		4.165.893	2.708.303
Retained earnings		3.740.689	-4.112.159
Equity		<u>7.969.207</u>	<u>-1.363.856</u>
Subordinate loan capital		0	5.709.305
Total non-current liabilities	4	<u>0</u>	<u>5.709.305</u>
Prepayments received from customers		735.561	766.682
Trade payables		151.491	79.718
Other payables		135.798	63.666
Total current liabilities		<u>1.022.850</u>	<u>910.066</u>
Total liabilities		<u>1.022.850</u>	<u>6.619.371</u>
Total equity and liabilities		<u><u>8.992.057</u></u>	<u><u>5.255.515</u></u>

Statement of changes in equity

	Share capital	Reserve for development expenditure	Retained earnings	Total
Equity at 1 January 2023	40.000	2.708.303	-4.112.159	-1.363.856
Increase of capital by conversion of debt	20.000	0	5.975.510	5.995.510
Cash capital increase	2.625	0	3.917.760	3.920.385
Transfers, reserve for development expenditure	0	1.457.590	-1.457.590	0
Net profit/loss for the year	0	0	-582.832	-582.832
Equity at 31 December 2023	62.625	4.165.893	3.740.689	7.969.207

Notes

	<u>2023</u> DKK	<u>2022</u> DKK
1 Staff costs		
Wages and salaries	1.639.282	1.172.930
Other social security costs	11.964	16.858
Other staff costs	61.083	28.415
	<u>1.712.329</u>	<u>1.218.203</u>
Number of fulltime employees on average	<u>3</u>	<u>3</u>
2 Tax on profit/loss for the year		
Adjustment of deferred tax concerning previous years	-440.519	0
	<u>-440.519</u>	<u>0</u>
3 Provision for deferred tax		
Provisions for deferred tax on:		
Intangible assets	859.041	447.926
Trade receivables	0	-3.279
Tax loss carry-forward	-1.362.554	-1.045.602
Transferred to deferred tax asset	503.513	600.955
Deferred tax asset		
Calculated tax asset	507.599	600.955
Write down to assessed value	-427.677	-525.119
Carrying amount	<u>75.836</u>	<u>75.836</u>

Notes

4 Long term debt

	2023	2022
	DKK	DKK
Subordinate loan capital		
After 5 years	0	0
Between 1 and 5 years	0	5.709.305
Non-current portion	0	5.709.305
Within 1 year	0	0
	0	5.709.305

5 Other anomalies in the annual report

The annual report is presented on the going concern assumption. The company's ability to continue as a going concern requires that the present budget is realized. The expectations is expanded in the management review.

6 Contingent liabilities

The company is jointly taxed with its parent company, Simple Holdings ApS (management company), and jointly and severally liable with other jointly taxed entities for payment of income taxes.

Discounted bills of exchange

The company has entered into rental leases at the following amounts.

Termination of rental in 3 months with an average payment of DKK 14.000, totalling DKK 42.000.

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"By my signature I confirm all dates and content in this document."

Francois Pierre Botha

Direktør

On behalf of: And Simple ApS

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Linnea Weinreich

Statsautoriseret revisor

On behalf of: Trekroner Revision A/S

Serial number: 2a9223f8-de06-4cf4-b260-89689cb744eb

IP: 2.109.xxx.xxx

2024-05-23 09:42:09 UTC



Francois Pierre Botha

Dirigent

On behalf of: And Simple ApS

Serial number: a33826fc-31ce-4863-b135-69484f55f7d0

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