



## Labster Group ApS

Skelbækgade 2, 4.  
1717 København V  
CVR No. 38597183

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 25.04.2022

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**Mads Tvillinggaard Bonde**

Chairman of the General Meeting

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# Entity details

## Entity

Labster Group ApS  
Skelbækgade 2, 4.  
1717 København V

Business Registration No.: 38597183  
Registered office: København  
Financial year: 01.01.2021 - 31.12.2021

## Board of Directors

Mads Tvillinggaard Bonde  
Michael Bodekær Jensen  
Lars Fjeldsøe-Nielsen  
Victor Ellis Patterson  
Scott Aaron Kupor

## Executive Board

Mads Tvillinggaard Bonde  
Michael Bodekær Jensen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
City Tower, Værkmestergade 2  
8000 Aarhus C

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Labster Group ApS for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

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.

Copenhagen, 25.04.2022

## Executive Board

**Mads Tvillinggaard Bonde**

**Michael Bodekær Jensen**

## Board of Directors

**Mads Tvillinggaard Bonde**

**Michael Bodekær Jensen**

**Lars Fjeldsøe-Nielsen**

**Victor Ellis Patterson**

**Scott Aaron Kupor**

# Independent auditor's report

## To the shareholders of Labster Group ApS

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Labster Group ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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, 25.04.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Mads Fauerskov**

State Authorised Public Accountant  
Identification No (MNE) mne35428

# Management commentary

## Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
<b>Key figures</b>				
Gross profit/loss	47,178	56,976	(3,536)	4,948
Operating profit/loss	(99,271)	(16,181)	(35,982)	(24,122)
Net financials	16,772	(8,259)	(3,342)	(3,170)
Profit/loss for the year	(74,625)	(21,660)	(34,525)	(22,692)
Balance sheet total	551,509	273,914	170,927	79,145
Investments in property, plant and equipment	1,721	0	445	0
Equity	404,891	139,183	98,860	(8,833)
Cash flows from operating activities	(45,262)	40,920	(34,609)	11,481
Cash flows from investing activities	(102,720)	(23,771)	(28,210)	(37,533)
Cash flows from financing activities	332,760	52,475	136,285	6,242
<b>Ratios</b>				
Equity ratio (%)	73.42	50.81	57.84	(11.16)

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Equity ratio (%):

$\frac{\text{Equity}}{\text{Balance sheet total}} * 100$

Balance sheet total



### Primary activities

Labster provides cloud based virtual software simulations to the global education industry. The company provides students with access to a realistic virtual laboratory experience that allows them to perform virtual experiments and practice skills in a fun and risk-free learning environment.

High tech education and training is expensive and inefficient. Physical labs cost millions of dollars to run and maintain. Labster helps our customers significantly reduce this cost by providing an alternative learning environment. Not only do our customers save on cost but learning outcomes significantly increase with a more engaged way of learning.

### Development in activities and finances

FY21 was a high growth year for Labster. This was driven by significant investment in the company's research and development projects. In addition, Labster Group ApS has acquired a company within the same industry, to complement the original products developed by Labster, and benefit Labsters clients. Labster believes that the acquisition of UbiSim SA relates to the Healthcare field, not education; therefore, the acquisition allows Labster to establish a foothold of VR training in a new vertical

### Liquidity

It is the Management's assessment that Labster Group have sufficient liquidity for continued operations. Labster Group has completed an investment round where a new investor and Series B investors co-subscribed. The capital increase was carried out and registered on 18 february 2022 and amounts to 271 mio DKK, and 25 march 2022 of 37 mio DKK

### Profit/loss for the year in relation to expected developments

As a result of this investment in revenue growth the company realized a loss of DKK 74,625k for the financial year 2021. Management considers the results for the year as expected.

#### Labster ApS UK branch

The Company realised a profit of DKK 3,681k for the financial year 2021. Management considers the results for the year as expected.

### Uncertainty relating to recognition and measurement

As a result of deficits in recent years, tax asset has not been fully recognized.

The company invests in the development of VR technology. Expenses in the development phase are capitalized at cost on initial recognition, and are valued on an ongoing basis by the company's management.

The company's management assesses the completion costs and expected future cash flows for each development project. An impairment loss is recognized if management estimates that the future net income is less than the value of the development project.

Future net income is based on significant estimates and is thus associated with some uncertainty.

### Outlook

In FY22 Labster is forecasting continued revenue growth. This global growth is primarily driven by an increased demand for online education as a result of the COVID-19 pandemic. Labster plans to capitalize on the evolution of the remote education platform by continuing to increase it's market share in new territories, as well as upsell the existing client base with new course catalogs.

The global education industry is more ripe than ever for disruption. Labster are in a unique position to redefine Science learning and ultimately deliver positive results to students now and over the coming years.

Labster will continue to focus on re-investment into the growth of the business. This will include both geographical and vertical expansion into new markets such as EMEA, and new verticals such as high school in FY22.

Expected result for the year 2022 will be between (50.000) t.kr - (80.000) t.kr.

### **Knowledge resources**

The company's primary knowledge resources are employees and the historically built-up know-how in the development of virtual reality labs. The company's future earnings are therefore conditioned by the knowledge resources within development, but in particular also in relation to knowledge of the market.

### **Environmental performance**

The company does not have activities that directly affect the environment. It is the company's interest to lead one environmentally sound operation.

### **Research and development activities**

During FY21 Labster is primarily focused on expanding upon our core product offering to provide an excellent product experience to our customers. This includes improving upon our product accessibility, our customer portal and integration with learning management systems.

### **Events after the balance sheet date**

Labster closed a new equity round in February 2022 of 271 mio. DKK and a round in March 2022 of 37 mio DKK to drive growth acceleration in new markets and verticals.

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

# Consolidated income statement for 2021

	Notes	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>47,178,095</b>	<b>56,976,199</b>
Staff costs	2	(133,690,453)	(63,545,394)
Depreciation, amortisation and impairment losses	3	(12,758,629)	(9,611,432)
<b>Operating profit/loss</b>		<b>(99,270,987)</b>	<b>(16,180,627)</b>
Other financial income	4	18,586,588	615,218
Other financial expenses	5	(1,814,260)	(8,873,757)
<b>Profit/loss before tax</b>		<b>(82,498,659)</b>	<b>(24,439,166)</b>
Tax on profit/loss for the year	6	7,873,363	2,778,937
<b>Profit/loss for the year</b>	7	<b>(74,625,296)</b>	<b>(21,660,229)</b>

# Consolidated balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	9	98,971,360	52,861,221
Acquired intangible assets		335,808	1,289,605
Development projects in progress	9	71,036,853	33,465,055
<b>Intangible assets</b>	<b>8</b>	<b>170,344,021</b>	<b>87,615,881</b>
Other fixtures and fittings, tools and equipment		1,208,883	303,068
Leasehold improvements		536,539	0
<b>Property, plant and equipment</b>	<b>10</b>	<b>1,745,422</b>	<b>303,068</b>
Deposits		1,233,119	484,608
<b>Financial assets</b>	<b>11</b>	<b>1,233,119</b>	<b>484,608</b>
<b>Fixed assets</b>		<b>173,322,562</b>	<b>88,403,557</b>
Trade receivables		15,315,768	21,042,437
Deferred tax	12	3,838,302	0
Other receivables		4,321,981	686,437
Tax receivable		11,341,532	10,284,377
Prepayments	13	8,184,430	3,090,930
<b>Receivables</b>		<b>43,002,013</b>	<b>35,104,181</b>
<b>Cash</b>		<b>335,184,388</b>	<b>150,406,565</b>
<b>Current assets</b>		<b>378,186,401</b>	<b>185,510,746</b>
<b>Assets</b>		<b>551,508,963</b>	<b>273,914,303</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Contributed capital	14	587,557	523,107
Translation reserve		2,306,888	0
Retained earnings		401,996,249	138,659,712
<b>Equity</b>		<b>404,890,694</b>	<b>139,182,819</b>
Deferred tax	12	0	2,549,000
<b>Provisions</b>		<b>0</b>	<b>2,549,000</b>
Debt to other credit institutions		14,535,240	16,329,804
Other payables		1,266,046	1,869,883
Deferred income	17	10,401,387	16,125,714
<b>Non-current liabilities other than provisions</b>	16	<b>26,202,673</b>	<b>34,325,401</b>
Current portion of non-current liabilities other than provisions	16	5,840,122	7,557,832
Bank loans		789,769	57,729
Trade payables		10,595,192	3,122,014
Other payables		15,050,724	6,890,970
Deferred income	17	88,139,789	80,228,538
<b>Current liabilities other than provisions</b>		<b>120,415,596</b>	<b>97,857,083</b>
<b>Liabilities other than provisions</b>		<b>146,618,269</b>	<b>132,182,484</b>
<b>Equity and liabilities</b>		<b>551,508,963</b>	<b>273,914,303</b>
Events after the balance sheet date	1		
Assets charged and collateral	19		
Transactions with related parties	20		
Subsidiaries	21		

# Consolidated statement of changes in equity for 2021

	Contributed capital DKK	Share premium DKK	Translation reserve DKK	Retained earnings DKK	Total DKK
Equity beginning of year	523,107	0	0	138,659,712	139,182,819
Increase of capital	64,450	337,961,833	0	0	338,026,283
Other entries on equity	0	(337,961,833)	2,306,888	337,961,833	2,306,888
Profit/loss for the year	0	0	0	(74,625,296)	(74,625,296)
<b>Equity end of year</b>	<b>587,557</b>	<b>0</b>	<b>2,306,888</b>	<b>401,996,249</b>	<b>404,890,694</b>

# Consolidated cash flow statement for 2021

	Notes	2021 DKK	2020 DKK
Operating profit/loss		(99,270,987)	(16,180,627)
Amortisation, depreciation and impairment losses		12,758,629	9,611,432
Working capital changes	18	19,006,238	52,651,376
Other adjustments		5,042,414	2,552,743
<b>Cash flow from ordinary operating activities</b>		<b>(62,463,706)</b>	<b>48,634,924</b>
Financial income received		18,586,588	615,218
Financial expenses paid		(1,814,261)	(8,873,757)
Taxes refunded/(paid)		428,906	544,044
<b>Cash flows from operating activities</b>		<b>(45,262,473)</b>	<b>40,920,429</b>
Sale of property, plant and equipment		0	38,670
Sale of fixed asset investments		0	673,719
Other cash flows from investing activities		(102,720,047)	(24,483,753)
<b>Cash flows from investing activities</b>		<b>(102,720,047)</b>	<b>(23,771,364)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(147,982,520)</b>	<b>17,149,065</b>
Repayments of loans etc.		(7,557,832)	(7,013,222)
Cash capital increase		338,026,283	59,430,294
Short-term bank loans		(14,996)	57,729
Exchange rate adjustments on Equity		2,306,888	0
<b>Cash flows from financing activities</b>		<b>332,760,343</b>	<b>52,474,801</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>184,777,823</b>	<b>69,623,866</b>
Cash and cash equivalents beginning of year		150,406,565	80,782,699
<b>Cash and cash equivalents end of year</b>		<b>335,184,388</b>	<b>150,406,565</b>
Cash and cash equivalents at year-end are composed of:			
Cash		335,184,388	150,406,565
<b>Cash and cash equivalents end of year</b>		<b>335,184,388</b>	<b>150,406,565</b>

# Notes to consolidated financial statements

## 1 Events after the balance sheet date

Labster closed a new equity round in February 2022 of 291 mio. DKK to drive growth acceleration in new markets and verticals.

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

## 2 Staff costs

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	131,103,906	71,649,223
Pension costs	6,131,692	0
Other social security costs	18,721,987	1,436,091
Other staff costs	118,183	97,061
	<b>156,075,768</b>	<b>73,182,375</b>
Staff costs classified as assets	(22,385,315)	(9,636,981)
	<b>133,690,453</b>	<b>63,545,394</b>
Average number of full-time employees	259	177

	<b>Remuneration of manage- ment 2021 DKK</b>	<b>Remuneration of manage- ment 2020 DKK</b>
Board of Directors	3,916,128	4,031,409
	<b>3,916,128</b>	<b>4,031,409</b>

## 3 Depreciation, amortisation and impairment losses

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	12,480,455	9,530,733
Depreciation on property, plant and equipment	278,174	80,699
	<b>12,758,629</b>	<b>9,611,432</b>

The depreciation consists of DKK 17.3 million in depreciation for development projects, and DKK 4.8 million in amortization of development grants.



**4 Other financial income**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Other interest income	(31,958)	0
Exchange rate adjustments	18,618,546	615,218
	<b>18,586,588</b>	<b>615,218</b>

**5 Other financial expenses**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Other interest expenses	1,458,027	2,648,803
Exchange rate adjustments	356,233	6,193,376
Other financial expenses	0	31,578
	<b>1,814,260</b>	<b>8,873,757</b>

**6 Tax on profit/loss for the year**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	(1,486,061)	(4,632,937)
Change in deferred tax	(6,387,302)	1,854,000
	<b>(7,873,363)</b>	<b>(2,778,937)</b>

**7 Proposed distribution of profit/loss**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Retained earnings	(74,625,296)	(21,660,229)
	<b>(74,625,296)</b>	<b>(21,660,229)</b>

**8 Intangible assets**

	<b>Completed development projects DKK</b>	<b>Acquired intangible assets DKK</b>	<b>Development projects in progress DKK</b>
Cost beginning of year	82,347,992	4,705,524	33,465,055
Addition through business combinations etc	51,254,281	0	0
Transfers	11,363,968	0	(11,363,968)
Additions	0	60,961	48,935,766
<b>Cost end of year</b>	<b>144,966,241</b>	<b>4,766,485</b>	<b>71,036,853</b>
Amortisation and impairment losses beginning of year	(29,486,771)	(3,415,919)	0
Amortisation for the year	(16,508,110)	(1,014,758)	0
<b>Amortisation and impairment losses end of year</b>	<b>(45,994,881)</b>	<b>(4,430,677)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>98,971,360</b>	<b>335,808</b>	<b>71,036,853</b>

## 9 Development projects

The development projects of the Group comprise the development of fully interactive advanced lab simulations based on mathematical algorithms that support open-ended investigations. The lab simulations include gamification elements such as an immersive 3D universe, storytelling and a scoring system which stimulates students natural curiosity and highlights the connection between science and the real world.

The development projects in progress proceed as planned and are expected to be completed within 1-3 years. All projects in progress are expected to generate income which exceeds the investment as a minimum.

Labster ApS are working with leading universities globally including MIT, Harvard and Imperial College, and have received grant funding for cutting edge R&D projects.

The completed development projects have shown their worth as the software is currently being used by California State University, Harvard, Gwinnett Technical College, MIT, Exeter University, University of New Haven, Stanford, University of New England, Trinity College, University of Hong Kong and Berkeley among others internationally.

The management has not identified indication of impairment of the recognized projects.

## 10 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>
Cost beginning of year	405,998	0
Additions	1,151,555	568,973
<b>Cost end of year</b>	<b>1,557,553</b>	<b>568,973</b>
Depreciation and impairment losses beginning of year	(102,930)	0
Depreciation for the year	(245,740)	(32,434)
<b>Depreciation and impairment losses end of year</b>	<b>(348,670)</b>	<b>(32,434)</b>
<b>Carrying amount end of year</b>	<b>1,208,883</b>	<b>536,539</b>

## 11 Financial assets

	<b>Deposits DKK</b>
Cost beginning of year	484,608
Additions	748,511
<b>Cost end of year</b>	<b>1,233,119</b>
<b>Carrying amount end of year</b>	<b>1,233,119</b>

## 12 Deferred tax

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Intangible assets	23,554,000	18,992,000
Property, plant and equipment	39,000	(8,000)
Provisions	3,178,000	0
Tax losses carried forward	(26,771,000)	(12,185,000)
Other taxable temporary differences	(3,838,302)	(4,250,000)
<b>Deferred tax</b>	<b>(3,838,302)</b>	<b>2,549,000</b>

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
<b>Changes during the year</b>		
Beginning of year	2,549,000	695,000
Recognised in the income statement	(6,387,302)	1,854,000
<b>End of year</b>	<b>(3,838,302)</b>	<b>2,549,000</b>

The deferred tax asset recognized relates to loss carryforwards in the US company.

The group has 220MDKK in loss carryforward in the Danish companies not recognized in the financial statement.

## 13 Prepayments

The company's prepayments and accrued income consist of costs already paid.

## 14 Contributed capital

	<b>Number</b>	<b>Par value</b>	<b>Nominal</b>
		<b>DKK</b>	<b>value</b>
			<b>DKK</b>
A-shares	9,473,221	0.01	94,732
B-shares	19,480,766	0.01	194,808
C-shares	448,300	0.01	4,483
D-shares	21,806,854	0.01	218,068
E-shares	7,546,584	0.01	75,466
	<b>58,755,725</b>		<b>587,557</b>

## 15 Deferred income

The company's deferred income consist of accrued income

## 16 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due within 12 months 2020 DKK	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Debt to other credit institutions	1,794,563	4,365,700	14,535,240	1,905,514
Other payables	0	0	1,266,046	1,266,046
Deferred income	4,045,559	3,192,132	10,401,387	0
	<b>5,840,122</b>	<b>7,557,832</b>	<b>26,202,673</b>	<b>3,171,560</b>

## 17 Deferred income

The company's deferred income consist of accrued income.

## 18 Changes in working capital

	2021 DKK	2020 DKK
Increase/decrease in receivables	(3,002,375)	(17,780,961)
Increase/decrease in trade payables etc.	22,008,613	70,432,337
	<b>19,006,238</b>	<b>52,651,376</b>

## 19 Assets charged and collateral

A floating charge of a nominal amount of DKK 38,900k has been provided as security for bank loan, Vaekstfonden and Triplepoint Capital covering the Company's goodwill, domain names and rights protected by the Danish Consolidate Patents Act, the Danish Consolidate Trademark Act, the Danish Consolidate Designs Act, the Danish Utility Models Act, the Danish Patterns Act, the Danish Copyright Act and the Danish Act on Protection of the Design of Semiconductor Products (topography), operating equipment and unsecured claims relating to the sale of goods and services, also including inventories of raw materials, semi-manufactures and finished goods as well as vehicles that are not or have not previously been registered.

The carrying amount of intangible assets and trade receivables is DKK 125,069k (2020: 89,632k).

## 20 Non-arm's length related party transactions

Transactions with related parties are only disclosed in the annual report if they are not on arms length terms. No such transactions have been conducted in the financial year except for tax-exempt group contributions among the companies.

## 21 Subsidiaries

	Registered in	Corporate form	Ownership %
Labster ApS	Denmark	ApS	100.00
Labster Inc (owned by Labster ApS)	USA	Inc	100.00
Learn Technologies GmbH	Switzerland	GmbH	100.00
Ubisim SA	Switzerland	SA	100.00
Ubisim Inc (owned by Ubisim SA)	Canada	Inc	100.00

# Parent income statement for 2021

	Notes	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>(1,441,015)</b>	<b>(39,625)</b>
Income from investments in group enterprises		(86,339,270)	(18,866,946)
Other financial income		18,799,906	(375,979)
Other financial expenses		(4,917)	(5,912,679)
<b>Profit/loss before tax</b>		<b>(68,985,296)</b>	<b>(25,195,229)</b>
Tax on profit/loss for the year	1	(5,640,000)	3,535,000
<b>Profit/loss for the year</b>	2	<b>(74,625,296)</b>	<b>(21,660,229)</b>

# Parent balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Investments in group enterprises		190,750,219	70,528,319
<b>Financial assets</b>	3	<b>190,750,219</b>	<b>70,528,319</b>
<b>Fixed assets</b>		<b>190,750,219</b>	<b>70,528,319</b>
Receivables from group enterprises		3,058,471	0
Deferred tax	4	0	3,535,000
Tax receivable		15,779,060	10,284,377
Prepayments	5	0	33,024
<b>Receivables</b>		<b>18,837,531</b>	<b>13,852,401</b>
<b>Cash</b>		<b>224,661,522</b>	<b>65,161,207</b>
<b>Current assets</b>		<b>243,499,053</b>	<b>79,013,608</b>
<b>Assets</b>		<b>434,249,272</b>	<b>149,541,927</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Contributed capital		587,557	523,107
Translation reserve		2,306,888	0
Retained earnings		401,996,249	138,659,712
<b>Equity</b>		<b>404,890,694</b>	<b>139,182,819</b>
Trade payables		162,500	30,000
Payables to group enterprises		11,282,017	14,730
Joint taxation contribution payable		17,884,060	10,284,377
Deferred income	6	30,001	30,001
<b>Current liabilities other than provisions</b>		<b>29,358,578</b>	<b>10,359,108</b>
<b>Liabilities other than provisions</b>		<b>29,358,578</b>	<b>10,359,108</b>
<b>Equity and liabilities</b>		<b>434,249,272</b>	<b>149,541,927</b>
Employees	7		
Contingent liabilities	8		
Transactions with related parties	9		

## Parent statement of changes in equity for 2021

	Contributed capital DKK	Share premium DKK	Translation reserve DKK	Retained earnings DKK	Total DKK
Equity beginning of year	523,107	0	0	138,659,712	139,182,819
Increase of capital	64,450	337,961,833	0	0	338,026,283
Other entries on equity	0	(337,961,833)	2,306,888	337,961,833	2,306,888
Profit/loss for the year	0	0	0	(74,625,296)	(74,625,296)
<b>Equity end of year</b>	<b>587,557</b>	<b>0</b>	<b>2,306,888</b>	<b>401,996,249</b>	<b>404,890,694</b>



# Notes to parent financial statements

## 1 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	2,105,000	0
Change in deferred tax	3,535,000	(3,535,000)
	<b>5,640,000</b>	<b>(3,535,000)</b>

## 2 Proposed distribution of profit and loss

	2021 DKK	2020 DKK
Retained earnings	(74,625,296)	(21,660,229)
	<b>(74,625,296)</b>	<b>(21,660,229)</b>

## 3 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	178,714,226
Additions	204,254,282
<b>Cost end of year</b>	<b>382,968,508</b>
Impairment losses beginning of year	(108,185,907)
Exchange rate adjustments	2,306,888
Amortisation of goodwill	(2,847,460)
Share of profit/loss for the year	(83,491,810)
<b>Impairment losses end of year</b>	<b>(192,218,289)</b>
<b>Carrying amount end of year</b>	<b>190,750,219</b>
Goodwill or negative goodwill recognised during the financial year	44,058,753

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

#### 4 Deferred tax

<b>Changes during the year</b>	<b>2021 DKK</b>
Beginning of year	3,535,000
Recognised in the income statement	(3,535,000)
<b>End of year</b>	<b>0</b>

#### 5 Prepayments

The company's prepayments and accrued income consist of costs already paid.

#### 6 Deferred income

The company's deferred income consist of accrued income

#### 7 Employees

Number of employees is 1, which consists of the director of the company.

#### 8 Contingent liabilities

The company has provided a surety bond against the subsidiary's debt to Vaekstfonden, which amounts to a total of 16,3 mio DKK

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

#### 9 Non-arm's length related party transactions

Transactions with related parties are only disclosed in the annual report if they are not on arms length terms. No such transactions have been conducted in the financial year except for tax-exempt group contributions in the subsidiaries in the group.

# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

## 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.

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

## Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

### 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.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of sales and external expenses etc.

#### Revenue

Revenue from the sale of services is recognized 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. Revenue from licences is recognised on a straight-line basis over the licence period as delivery takes place.

#### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

#### Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

**Staff costs**

Staff costs comprise wages and salaries, 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, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

**Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises profit/loss after full elimination of internal profits or losses.

**Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Intellectual property rights etc.**

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3-7 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

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:

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.

### **Investments in group enterprises**

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in group enterprises 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.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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

### **Tax payable or receivable**

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

### **Prepayments**

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

### **Cash**

Cash comprises cash in hand and 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.

### **Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance

leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.