
Yavica ApS

Jægersborg Allé 4, 4th floor, DK-2920 Charlottenlund

Annual Report for 2021

CVR No. 38 67 96 19

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 19/7 2022

Mads Pihl Sørensen
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Financial Statements of Yavica ApS for the financial year 1 January - 31 December 2021.

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 financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

I recommend that the Financial Statements be adopted at the Annual General Meeting.

Charlottenlund, 19 July 2022

Executive Board

Mads Pihl Sørensen
CEO

Independent Auditor's report

To the shareholders of Yavica ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Yavica ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

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.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 19 July 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Niels Henrik B. Mikkelsen

State Authorised Public Accountant

mne16675

Company information

The Company

Yavica ApS

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CVR No: 38 67 96 19

Financial period: 1 January - 31 December

Incorporated: 20 May 2017

Financial year: 5th financial year

Municipality of reg. office: Gentofte

Executive board

Mads Pihl Sørensen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Management's review

Key activities

The company's main activity is the delivery of business systems and related consulting services

Development in the year

The income statement of the Company for 2021 shows a profit of DKK 4,730,073, and at 31 December 2021 the balance sheet of the Company shows positive equity of DKK 14,920,986.

The growth in revenue and the result for the year reflect and follow the continued growth plan for Yavica, where the majority of profit are invested into market expansion and product development.

For 2022 the expectation is continued growth in revenue with a similar level of profitability to 2021.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Revenue		47,865,607	38,995,475
Production expenses		-31,913,508	-26,965,325
Gross profit		15,952,099	12,030,150
Distribution expenses		-6,155,791	-5,027,317
Administrative expenses	1	-3,788,812	-3,529,301
Operating profit/loss		6,007,496	3,473,532
Other operating income		6,284	0
Other operating expenses		-53,656	-6,544
Profit/loss before financial income and expenses		5,960,124	3,466,988
Income from investments in subsidiaries		372,828	83,911
Financial income		769,789	655,513
Financial expenses		-1,140,628	-827,803
Profit/loss before tax		5,962,113	3,378,609
Tax on profit/loss for the year	2	-1,232,040	-728,049
Net profit/loss for the year		4,730,073	2,650,560

Distribution of profit

	2021 DKK	2020 DKK
Proposed distribution of profit		
Proposed dividend for the year	750,000	750,000
Retained earnings	3,980,073	1,900,560
	4,730,073	2,650,560

Balance sheet 31 December

Assets

	Note	2021 DKK	2020 DKK
Completed development projects		1,957,464	1,151,684
Acquired licenses		1,530,667	2,842,667
Development projects in progress		8,620,786	2,256,238
Intangible assets	3	12,108,917	6,250,589
Other fixtures and fittings, tools and equipment		215,819	455,024
Property, plant and equipment	4	215,819	455,024
Investments in subsidiaries	5	401,346	27,014
Deposits		452,196	351,440
Fixed asset investments		853,542	378,454
Fixed assets		13,178,278	7,084,067
Trade receivables		2,427,910	3,619,911
Contract work in progress		3,026,345	1,185,287
Receivables from group enterprises		3,793,063	5,564,754
Other receivables		3,873,665	973,143
Prepayments		228,557	111,405
Receivables		13,349,540	11,454,500
Cash at bank and in hand		3,521,122	3,129,725
Current assets		16,870,662	14,584,225
Assets		30,048,940	21,668,292

Balance sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		50,000	50,000
Reserve for development costs		10,578,250	3,407,922
Retained earnings		3,542,736	6,732,991
Proposed dividend for the year		750,000	750,000
Equity		14,920,986	10,940,913
Provision for deferred tax		2,633,865	1,401,825
Provisions		2,633,865	1,401,825
Credit institutions		0	150,564
Other payables		2,652,638	520,589
Long-term debt	6	2,652,638	671,153
Credit institutions	6	0	79,252
Prepayments received from customers		3,452,824	1,141,873
Trade payables		1,993,372	2,238,310
Payables to group enterprises		832,224	69,272
Corporation tax		557,356	747,736
Other payables	6	3,005,675	4,377,958
Short-term debt		9,841,451	8,654,401
Debt		12,494,089	9,325,554
Liabilities and equity		30,048,940	21,668,292
Contingent assets, liabilities and other financial obligations	7		
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Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	50,000	3,407,922	6,732,991	750,000	10,940,913
Ordinary dividend paid	0	0	0	-750,000	-750,000
Development costs for the year	0	7,676,989	-7,676,989	0	0
Depreciation, amortisation and impairment for the year	0	-506,661	506,661	0	0
Net profit/loss for the year	0	0	3,980,073	750,000	4,730,073
Equity at 31 December	50,000	10,578,250	3,542,736	750,000	14,920,986

Notes to the Financial Statements

	2021	2020
	DKK	DKK
1. Staff		
Wages and salaries	24,052,249	16,811,020
Pensions	1,759,310	1,157,166
Other social security expenses	374,142	145,513
Other staff expenses	476,659	196,434
	26,662,360	18,310,133
 Average number of employees	 30	 22

	2021	2020
	DKK	DKK
2. Income tax expense		
Current tax for the year	-158,690	749,936
Deferred tax for the year	1,390,730	-21,887
	1,232,040	728,049

Notes to the Financial Statements

3. Intangible fixed assets

	Completed development projects	Acquired licenses	Develop- ment projects in progress
	DKK	DKK	DKK
Cost at 1 January	1,439,605	6,560,000	2,256,238
Additions for the year	218,740	0	7,458,249
Transfers for the year	1,093,701	0	-1,093,701
Cost at 31 December	2,752,046	6,560,000	8,620,786
Impairment losses and amortisation at 1 January	287,921	3,717,333	0
Amortisation for the year	506,661	1,312,000	0
Impairment losses and amortisation at 31 December	794,582	5,029,333	0
Carrying amount at 31 December	1,957,464	1,530,667	8,620,786
Amortised over	5 years	5 years	5 years

The Company's development projects relate to development of new products, as well as continued development, improvements and upgrading of the Company's existing products.

The development, improvement and upgrading is completed on an ongoing basis and the projects are ready for use upon completion. The products form the basis of a large part of the Company's existing business, hence, there are markets and customers for the products. Projects in progress, consist of supplementary products; hence, there is a market herefore.

Notes to the Financial Statements

4. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	727,000
Additions for the year	151,700
Disposals for the year	-440,000
Cost at 31 December	438,700
Impairment losses and depreciation at 1 January	271,976
Depreciation for the year	116,733
Reversal of impairment and depreciation of sold assets	-165,828
Impairment losses and depreciation at 31 December	222,881
Carrying amount at 31 December	215,819
Amortised over	5 years

Notes to the Financial Statements

	2021 DKK	2020 DKK
5. Investments in subsidiaries		
Cost at 1 January	114,550	114,550
Additions for the year	1,504	0
Cost at 31 December	116,054	114,550
Value adjustments at 1 January	-87,536	-171,447
Net profit/loss for the year	372,828	83,911
Value adjustments at 31 December	285,292	-87,536
Carrying amount at 31 December	401,346	27,014

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes	Equity	Net profit/loss for the year
Yavica Sweden AB	Segeltorp, Sweden	50.000 SEK	100%	362,866	241,290
Yavica CEE S.R.L.	Bucharest, Romania	1.000 RON	100%	130,036	131,538

Notes to the Financial Statements

6. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2021 DKK	2020 DKK
Credit institutions		
After 5 years	0	0
Between 1 and 5 years	0	150,564
Long-term part	0	150,564
Within 1 year	0	0
Other short-term debt to credit institutions	0	79,252
Short-term part	0	79,252
	0	229,816
Other payables		
After 5 years	1,432,271	0
Between 1 and 5 years	1,220,367	520,589
Long-term part	2,652,638	520,589
Within 1 year	0	0
Other short-term payables	3,005,675	4,377,958
	5,658,313	4,898,547

	2021 DKK	2020 DKK
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7. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

Ownership mortgage deeds totaling TDKK 224, which provide a mortgage on other property, plant and equipment to a total carrying amount of	0	400,000
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Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	436,556	1,301,952
Between 1 and 5 years	213,341	325,488
	649,897	1,627,440

Notes to the Financial Statements

8. Accounting policies

The Annual Report of Yavica ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

Income statement

Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Production expenses

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Intangible fixed assets

Intangible assets are measured at the lower of cost less accumulated amortisation and recoverable amount. Intangible assets are amortised over the expected useful lives of the assets; however not exceeding 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits regarding lease agreements.

Notes to the Financial Statements

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Notes to the Financial Statements

Other debts are measured at amortised cost, substantially corresponding to nominal value.