BEIERHOLM
VI SKABER BALANCE

Insife ApS

Gladsaxevej 384A, st. a., 2860 Søborg
CVR no. 38 81 92 59

Annual report
for the financial year 01.10.20 - 30.09.21

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 01.02.22

Martin Lavesen
Dirigent

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Company information etc.

The company

Insife ApS
Gladsaxevej 384A, st. a.
2860 Søborg
Tel.: 53 60 89 83
Website: www.insife.com
Registered office: Søborg
CVR no.: 38 81 92 59
Financial year: 01.10 - 30.09

Executive Board

Martin Holm-Petersen
Peter Stroyer Pallesen

Board of Directors

Martin Lavesen, chairman
Martin Holm-Petersen
Peter Stroyer Pallesen
Christian Rosenlund Petersen
Flemming Andersen
Wilfred Peter Gilich

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.10.20 - 30.09.21 for Insife ApS.

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

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 30.09.21 and of the results of the company's activities for the financial year 01.10.20 - 30.09.21.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Soeborg, Copenhagen, February 1, 2022

Executive Board

Martin Holm-Petersen	Peter Stroyer Pallesen

Board of Directors

Martin Lavesen Chairman	Martin Holm-Petersen	Peter Stroyer Pallesen
Christian Rosenlund Petersen	Flemming Andersen	Wilfred Peter Gilich

Independent auditor's report on extended review

To the capital owners of Insife ApS

Opinion

We have performed an extended review of the financial statements of Insife ApS for the financial year 01.10.20 - 30.09.21 which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

Based on the work performed, in our opinion, the financial statements give a true and fair view of the company's assets, equity and liabilities and financial position as at 30.09.21 and the company's financial performance for the financial year 01.10.20 - 30.09.21 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority’s Assurance Standard for Small Enterprises and FSR – Danish Auditors’ standard on extended review of financial statements prepared 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’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Statement regarding the management’s review

The management is responsible for the management’s review.

Our opinion on the financial statements does not include the management’s review, and we do not express any form of conclusion on the management’s review.

In connection with our extended review of the financial statements, it is our responsibility to read the management’s review and in this connection consider whether the management’s review is materially inconsistent with the financial statements or the knowledge we have ob-tained during our extended review, or in any other way appears to be materially misstated.

Furthermore, it is our responsibility to consider whether management’s review contains the information required under the Danish Financial Statements Act.

Based on the work performed, we believe that the management’s review is in accordance with the financial statements and has been prepared in accordance with the provisions of the Danish Financial Statements Acts. We have not detected any material misstatement in the management’s review.

Management's responsibility for the financial statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Danish Financial Statements Act and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures primarily consisting of making inquiries of management and others within the company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of 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 the financial statements.

Soeborg, Copenhagen, February 1, 2022

Beierholm
Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Michael Bach
State Authorized Public Accountant
MNE-no. mne16679

Primary activities

The company's activities comprise to develop, market, sell and implement software and related services, including consultancy, to companies and institutions whose activities are within or related to life science.

Development in activities and financial affairs

The income statement for the period 01.10.20 - 30.09.21 shows a profit/loss of DKK 1,713,321 against DKK 1,093,549 for the period 01.10.19 - 30.09.20. The balance sheet shows equity of DKK 5,253,842.

During the financial year, the company grew significantly in revenue and positioned itself in new important markets while executing planned strategic activities. Thus established new subsidiaries in the UK and Germany.

The company has successfully marketed and won significant and significant contracts to deliver the HALOPV software solution, which is now available in version 3.1. The number of pharmaceutical customers has grown and there has been an increase in sales of the company's software-as-a-service (SaaS) solutions.

HALOPV remains the only commercially available solution to a number of issues within pharmacovigilance, and the company continues to see significant market potential. Pharmacovigilance, which is the company's competence focus, is growing rapidly as a domain in life science.

During the financial year, consulting accounted for the majority of the company's revenue and will continue to be a central part of the business basis.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2020/21 DKK	2019/20 DKK
	Gross profit	**8,152,268**	**4,621,030**
1	Staff costs	-5,650,673	-4,431,737
	Profit before depreciation, amortisation, write-downs and impairment losses	**2,501,595**	**189,293**
	Amortisation and impairments losses of intangible assets	-1,162,641	-216,437
	Operating profit/loss	**1,338,954**	**-27,144**
2	Income from equity investments in group enterprises	597,655	1,247,676
3	Financial income	99,287	0
	Financial expenses	-217,938	-243,268
	Profit before tax	**1,817,958**	**977,264**
4	Tax on profit for the year	-104,637	116,285
	Profit for the year	**1,713,321**	**1,093,549**

Proposed appropriation account

Reserve for net revaluation according to the equity method	1,819,051	954,486
Retained earnings	-105,730	139,063
Total	**1,713,321**	**1,093,549**

Balance sheet

ASSETS

Note		30.09.21 DKK	30.09.20 DKK
	Completed development projects	2,187,046	432,874
	Development projects in progress	2,519,775	2,916,813
5	**Total intangible assets**	**4,706,821**	**3,349,687**
6	Equity investments in group enterprises	2,939,039	972,677
	Deposits	9,006	9,006
	Total investments	**2,948,045**	**981,683**
	Total non-current assets	**7,654,866**	**4,331,370**
	Trade receivables	3,103,936	2,619,063
	Receivables from group enterprises	928,728	1,037,983
	Income tax receivable	331,595	440,208
	Other receivables	1,271	349,881
	Prepayments	305,178	0
	Total receivables	**4,670,708**	**4,447,135**
	Cash	**2,685,740**	**949,393**
	Total current assets	**7,356,448**	**5,396,528**
	Total assets	**15,011,314**	**9,727,898**

Balance sheet

EQUITY AND LIABILITIES

Note		30.09.21 DKK	30.09.20 DKK
	Share capital	146,555	142,888
	Reserve for net revaluation according to the equity method	2,742,067	962,592
	Reserve for development costs	3,671,321	2,612,756
	Retained earnings	-1,306,101	-488,191
	Total equity	**5,253,842**	**3,230,045**
	Provisions for deferred tax	733,173	298,941
	Total provisions	**733,173**	**298,941**
7	Other payables	299,850	318,242
	Total long-term payables	**299,850**	**318,242**
7	Short-term part of long-term payables	1,521,992	2,237,121
	Trade payables	4,050,002	4,764
	Payables to group enterprises	177,393	0
	Other payables	2,097,048	1,924,574
	Deferred income	878,014	1,714,211
	Total short-term payables	**8,724,449**	**5,880,670**
	Total payables	**9,024,299**	**6,198,912**
	Total equity and liabilities	**15,011,314**	**9,727,898**

8 Contingent liabilities

Statement of changes in equity

Figures in DKK	Share capital	Reserve for net revaluation according to the equity method	Reserve for developmen t costs	Retained earnings	Total equity
Statement of changes in equity for 01.10.20 - 30.09.21					
Balance as at 01.10.20	142,888	962,592	2,612,756	-488,191	3,230,045
Foreign currency translation adjustment of foreign enterprises	0	7,332	0	0	7,332
Capital increase	3,667	0	0	346,385	350,052
Total depreciation, amortisation, impairment losses and write-downs during the year	0	0	-1,162,641	1,162,641	0
Other changes in equity	0	-46,908	0	0	-46,908
Transfers to/from other reserves	0	0	2,221,206	-2,221,206	0
Net profit/loss for the year	0	1,819,051	0	-105,730	1,713,321
Balance as at 30.09.21	146,555	2,742,067	3,671,321	-1,306,101	5,253,842

Notes

	2020/21 DKK	2019/20 DKK

1. Staff costs

	2020/21 DKK	2019/20 DKK
Wages and salaries	5,526,369	4,407,262
Other social security costs	52,307	15,148
Other staff costs	71,997	9,327
Total	5,650,673	4,431,737
Average number of employees during the year	7	6

2. Income from equity investments in group enterprises

	2020/21 DKK	2019/20 DKK
Share of profit or loss of group enterprises	597,655	1,247,676

3. Financial income

	2020/21 DKK	2019/20 DKK
Interest, group enterprises	22,927	0
Foreign exchange gains	76,360	0
Total	99,287	0

4. Tax on profit or loss for the year

	2020/21 DKK	2019/20 DKK
Tax on profit or loss for the year	51,500	0
Adjustment of deferred tax for the year	53,137	323,923
Adjustment of tax in respect of previous years	0	-440,208
Total	104,637	-116,285

5. Intangible assets

Figures in DKK	Completed development projects	Development projects in progress	Total
Cost as at 01.10.20	814,177	2,916,813	3,730,990
Additions during the year	0	2,519,775	2,519,775
Transfers during the year to/from other items	2,916,813	-2,916,813	0
Cost as at 30.09.21	3,730,990	2,519,775	6,250,765
Amortisation and impairment losses as at 01.10.20	-381,303	0	-381,303
Amortisation during the year	-1,162,641	0	-1,162,641
Amortisation and impairment losses as at 30.09.21	-1,543,944	0	-1,543,944
Carrying amount as at 30.09.21	2,187,046	2,519,775	4,706,821

During the year, DKK 2,520k was activated on one development project in progress. Another development project has been completed since last financial year, which is why depreciation has begun on this one development project. One remaining development project is still in progress. Capitalized costs on this one project comprises labor costs as well as direct costs related to the project.

The development projects are often completed within 2 years, which is why depreciation of capitalized costs are started relatively shortly after the project has started. The projects are depreciated over 1-3 years.

The turnover in the company has increased significantly compared to last financial year, which indicates that the company's development projects have substantial potential in the market. The market for the projects is life science and especially software solutions within this segment.

6. Equity investments in group enterprises

Figures in DKK	Equity investments in group enterprises
Cost as at 01.10.20	10,085
Additions during the year	186,887
Cost as at 30.09.21	196,972
Revaluations as at 01.10.20	961,592
Foreign currency translation adjustment of foreign enterprises	8,137
Net profit/loss from equity investments	472,940
Other adjustments relating to equity investments	74,855
Revaluations as at 30.09.21	1,517,524
Negative equity value impaired in receivables	1,224,543
Depreciation and impairment losses as at 30.09.21	1,224,543
Carrying amount as at 30.09.21	2,939,039

Name and registered office:	Ownership interest
Subsidiaries:	
Insife India Private Limited, Bangalore, Indien	99%
Insife Inc., Delaware, USA	100%
Insife Germany GmbH, Flensborg, Tyskland	100%
Insife UK Ltd., Cambridge, England	100%

7. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 30.09.21	Total payables at 30.09.20
Subordinate loan capital	1,521,992	0	1,521,992	2,237,121
Other payables	0	299,850	299,850	318,242
Total	1,521,992	299,850	1,821,842	2,555,363

8. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 2 months and average lease payments of DKK 14k, a total of DKK 28k.

9. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

In accordance with section 110 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

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 depreciation, amortisation, impairment losses and write-downs, 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 such assets 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 such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

9. Accounting policies - continued -

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

9. Accounting policies - continued -

INCOME STATEMENT

Gross profit

Gross profit comprises revenue and work performed for own account and capitalised and other external expenses.

Revenue

Income from the sale of services is recognised in the income statement as delivery takes place (delivery method). Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Work performed for own account and capitalised

Work performed for own account and capitalised comprises cost of sales, wages and salaries and other internal expenses incurred during the year and included in the cost of self-constructed or self-produced intangible assets.

9. Accounting policies - continued -

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Amortisation and impairment losses

The amortisation of intangible assets aim at systematic amortisation over the expected useful lives of the assets. Assets are amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful life, year	Residual value, per cent
Completed development projects		0

The basis of amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Income from equity investments in group entreprises

For equity investments in equity investments in subsidiaries, measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

9. Accounting policies - continued -

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET

Intangible assets

Completed development projects and development projects in progress

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects in progress are transferred to completed development projects when the asset is ready for use.

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

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the ‘Amortisation and impairment losses’ section.

Gains and losses on the disposal of intangible assets

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

9. Accounting policies - continued -

Equity investments in group entreprises

Equity investments in subsidiaries are recognised and measured according to the equity method. For equity investments in subsidiaries, the equity method is considered a measurement method.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

Under subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

9. Accounting policies - continued -

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

9. Accounting policies - continued -

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The net revaluation of equity investments measured according to the equity method is recognized in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

An amount equivalent to internally generated development costs in the balance sheet is recognised in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

9. Accounting policies - continued -

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

With subordinate loan capital, the creditor has subordinated its claim to those of all other creditors of the company.

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.