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Aryze ApS

Vester Voldgade 7B, 1552 København V

Company reg. no. 38 89 50 52

Annual report

1 January - 31 December 2021

Approved on the general meeting 8 July 2022.

Klaus Kryder Jacobsen
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Today, the executive board has presented the annual report of Aryze ApS for the financial year 1 January - 31 December 2021.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2021 and of the company's results of activities in the financial year 1 January – 31 December 2021.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 8 July 2022

Executive board

Jack Narek Nikogosian

Morten Christorp Nielsen

Independent auditor's report

To the Shareholders of Aryze ApS

Auditor's report on the Financial Statements

Opinion

We have audited the financial statements of Aryze ApS for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

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.

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.

Ohter Matter - Scope of the Audit

Effective as from the current financial year, Aryze ApS is subject to audit obligations. We must emphasize, as it also appears from the annual accounts, that no audit of the comparative figures in the annual accounts has been carried out.

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 judgment and maintain professional skepticism 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.

Independent auditor's report

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 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, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Violation of the Danish Companies Act regarding loan to shareholders

In violation of §210 of the Danish Companies Act, the company has granted a loan to one of the company's shareholders, and management may therefore be liable for this.

Copenhagen, 8 July 2022

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Anders Flymer-Dindler
State Authorised Public Accountant
mne35423

The company	Aryze ApS Vester Voldgade 7B 1552 København V
	Company reg. no. 38 89 50 52 Financial year: 1 January - 31 December
Executive board	Jack Narek Nikogosian Morten Christorp Nielsen
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø

The principal activities of the company

The company's purpose is to develop innovative technological solutions that are ready for the fourth industrial revolution.

Material mistatement

In the financial year 2021, management has identified several mistatements relating to the fiscal year 2020. The mistatements has been corrected as a material mistatement with adjustment of comparative figures as well as opening equity in the current financial year for 2021. Please refer to accounting policies for a complete description of the impact of the adjustments.

Uncertainties about recognition or measurement

During the year, the company has invested in a number of development projects, which the management expects to contribute to an increase future earnings. Reference is made to note 3 for a description of the development projects. Management points out that the current valuation is conditional on the group being able to realize its current financial plans.

Development in activities and financial matters

The gross loss for the year totals DKK -898.000 against DKK -242.000 last year. Loss from ordinary activities after tax totals DKK 3.091.562 against DKK 2.027.553 last year.

Financially and economically 2021 developed as expected.

Management expects to have the necessary liquidity to finance the planned development and operating activity of the coming year. Based on this the annual report is presented on the assumption of the company as going concern.
Reference is made to note one describing managements assessment of going concern.

Events occurring after the end of the financial year

No events occured after the balance sheet date that have effect on the current years financial statements.

The annual report for Aryze ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Changes in the accounting policies

Income statement

Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Cryptocurrencies

Acquired intangible assets comprising cryptocurrencies are measured at cost less accumulated amortisations.

Since it is impossible to reliably estimate future impairment of cryptocurrencies and to determine a useful life, residual values are determined as equalling cost and no similarly acquired rights are therefore amortised.

Cryptocurrencies are written down for impairment to a lower recoverable amount. This means that if the price (fair value) drops to below cost, they must be written down for impairment to a lower value in the income statement.

If the price (fair value) subsequently rises, write down for impairment must be wholly or partly reversed in the income statement.

Gains of losses on sale of cryptocurrencies (the difference between selling price and carrying amount) is recognised in the income statement, normally under other operating income and other operating charges, respectively.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables
Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income
Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits
Cash on hand and demand deposits comprise cash at bank and on hand.

Equity
Revaluation reserve
Revaluations of property less deferred tax are recognised under the revaluation reserve. The reserve is reduced when the value of revalued property is reduced due to depreciation. The reduction represents the difference between depreciation based on the revalued carrying amount of the property and depreciation based on the original cost of the property.

The reserve is partly or totally dissolved on the sale of the property and reduced as a result of impairment loss on property.

Liabilities other than provisions
Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

1 January - 31 December

All amounts in DKK.

Note		2021	2020
	Gross profit	**-898.495**	**-242.343**
3	Staff costs	-1.890.615	-998.049
	Amortisation and impairment of intangibleassets	-355.933	-478.658
	Operating profit	**-3.145.043**	**-1.719.050**
	Other financial income	53.481	6.193
	Other financial costs	0	-314.696
	Pre-tax net profit or loss	**-3.091.562**	**-2.027.553**
	Net profit or loss for the year	**-3.091.562**	**-2.027.553**
	Proposed appropriation of net profit:		
	Allocated from retained earnings	-3.091.562	-2.027.553
	Total allocations and transfers	**-3.091.562**	**-2.027.553**

at 31 December

All amounts in DKK.

Note	Assets	2021	2020
	Non-current assets		
4	Development projects in progress and prepayments for intangible assets	1.090.197	740.563
	Total intangible assets	1.090.197	740.563
	Total non-current assets	**1.090.197**	**740.563**
	Current assets		
	Other receivables	415.114	180.923
5	Receivables from owners and management	188.023	134.285
	Prepayments and accrued income	1.753	0
	Total receivables	604.890	315.208
	Cash on hand and demand deposits	750.894	180.850
	Total current assets	**1.355.784**	**496.058**
	Total assets	**2.445.981**	**1.236.621**

at 31 December

All amounts in DKK.

Equity and liabilities

Note		2021	2020
	Equity		
	Contributed capital	54.920	1.000
	Revaluation reserve	784.874	577.637
	Retained earnings	-12.240.502	-8.941.703
	Total equity	**-11.400.708**	**-8.363.066**
	Liabilities other than provisions		
	Payables to shareholders and management	13.283.500	9.206.522
	Total long term liabilities other than provisions	13.283.500	9.206.522
	Bank loans	3.108	0
	Trade payables	84.095	0
	Other payables	475.685	393.165
	Accruals and deferred income	301	0
	Total short term liabilities other than provisions	563.189	393.165
	Total liabilities other than provisions	**13.846.689**	**9.599.687**
	Total equity and liabilities	**2.445.981**	**1.236.621**
1	**Capital ressources**		
2	**Uncertainties concerning recognition and measurement**		
6	**Charges and security**		
7	**Contingencies**		

All amounts in DKK.

	Contributed capital	Revaluation reserve	Retained earnings	Total
Equity 1 January 2021	1.000	0	-6.907.388	-6.906.388
Correction due to changes in accounting policies 2	0	0	-2.034.315	-2.034.315
Reversal of prior revaluations	0	577.637	0	577.637
Cash capital increase	53.920	0	0	53.920
Retained earnings for the year	0	0	-3.091.562	-3.091.562
Revaluations for the year	0	207.237	0	207.237
Distributed dividends from group enterprises	0	0	-207.237	-207.237
	54.920	**784.874**	**-12.240.502**	**-11.400.708**

Notes

All amounts in DKK.

1. Capital ressources

Aryze ApS has not yet launched it products and the company's activities had therefore mainly been focused on development. The company expects revenue to be realized in 2022/20223. In addition, managements expect further 7 million to be raised from outside investors.

There is an uncertainty regarding both the speed of development and revenue growth as well as the size of capital that will be raised.

Based on the above, management expects to have the necessary liquidity to finance the planned development and operating activity of the coming year.

Management presents the annual accounts on the assumption of the company as going concern.

2. Uncertainties concerning recognition and measurement

During the year, the company has invested in a number of development projects, which the management expects to contribute to an increase future earnings. Reference is made to note 3 for a description of the development projects.
Management points out that the current valuation is conditional on the group being able to realize its current financial plans.

	2021	2020
3. Staff costs		
Salaries and wages	1.846.530	963.457
Pension costs	10.508	11.360
Other staff costs	33.577	23.232
	1.890.615	**998.049**
Average number of employees	3	3

Notes

All amounts in DKK.

		31/12 2021	31/12 2020
4.	**Development projects in progress and prepayments for intangible assets**		
	Cost 1 January 2021	1.074.099	593.590
	Additions during the year	705.568	480.510
	Cost 31 December 2021	**1.779.667**	**1.074.100**
	Amortisation and writedown 1 January 2021	-333.537	-118.718
	Amortisation and depreciation for the year	-355.933	-214.819
	Amortisation and writedown 31 December 2021	**-689.470**	**-333.537**
	Carrying amount, 31 December 2021	**1.090.197**	**740.563**

The company has activities with the development of software which include the company's MAMA app and technical development of a stable coin. Management has estimated a percentage of employees times which management consider meets the criteria for capitalization.
Management estimates that the development projects will bring a significant competitive advantage.

5. Receivables from owners and management

Category	**Interest rate**	**Amounts repaid during the financial year**	**Total receivables at 31 December 2021**
Executive board	10,05%	39.650	188.023

6. Charges and security

The company has no charges or securities.

7. Contingencies

Lease agreements

The company has entered into rent agreements with a non-terminable period of three months amount to 102tDKK

Joint taxation

With Nikogosian Group ApS, company reg. no 38 89 50 52 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Morten Christorp Nielsen
Direktionsmedlem
Serienummer: PID:9208-2002-2-099287008765
IP: 188.180.xxx.xxx
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Dirigent
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