BELLA Intelligence ApS

Sankt Petri Passage 5, 1165 København K

CVR 39 13 52 72

Annual report 2022

The Annual General Meeting adopted the annual report on 9 June 2023

Joel Jonathan Minzari
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board have today considered and adopted the Annual Report of BELLA Intelligence ApS for the financial year 1 January – 31 December 2022

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 2022 of the Company and of the results of the Company's operations for 2022.

I believe that the management commentary contains a fair review of the ffairs and conditions referred to therein.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 9 June 2023

Executive Board

Joel Jonathan Minzari

Independent Auditor's Report

To the Shareholders of BELLA Intelligence ApS

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of BELLA Intelligence ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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.

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.

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.

Copenhagen, 9 June 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Gösta Gauffin
State Authorised Public Accountant
mne45821

Company details

Company	BELLA Intelligence ApS Sankt Petri Passage 5, st. 1165 Copenhagen K CVR number: 39 13 52 72
Executive board	Joel Jonathan Minzari
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Management's Review

Principal Activities of the Company

The principal activity of the Company is to conduct business by selling and developing software as well as other related activities to support workflow and digital solutions for legal bankruptcy handling by lawyers.

Development in the Company's activities and financial matters

The Company has during 2022 continued development of digital solutions mainly for the above mentioned activities.
The result for the period shows net loss for the period of TDKK 1,602 and per the balance sheet date 31 December 2022, equity totals to TDKK 3,201.

Uncertainty relating to recognition and measurement

The company has in recent years used its ressources to develop new digital solutions. Costs directly related to these activities are capitalised as development projects. At the balance sheet date the book value of development projects is TDKK 5,965. Management assess that demand from the markets will provide a revenue in the coming years that exceeds the capitalised development costs. However, the company operates on a market where new digital solutions are constantly offered to the markets and response from the market can be difficult to predict for the future. In the event that future revenue is realised below expectations there is a risk that current value of the asset is overstated.

Significant events after the balance sheet date

No events have occurred after the balance sheet date which would influence the evaluation of the Company's financial position at the balance sheet date.

Income statement 1 January - 31 December

	Note	2022	2021
		DKK'000	DKK'002
Gross profit		**954**	**2.080**
Personnel expenses	2	-548	-605
Capitalised on development projects		0	299
Depreciations		-2.393	-2.005
Operating profit (EBIT)		**-1.988**	**-230**
Financial income	3	19	20
Financial expenses	4	-81	-175
Loss before income tax		**-2.051**	**-386**
Income tax expense	5	449	82
Loss for the period		**-1.602**	**-304**

Proposed allocation of result:

	2022	2021
	DKK'000	DKK'000
Result carried forward	-1.602	-304
	-1.602	**-304**

Balance sheet 31. December

	Note	2022	2021
		DKK'000	DKK'000
ASSETS			
Completed development projects		5.965	6.640
Development projects in progress		0	574
Intangible assets	6	**5.965**	**7.214**
Non-current assets		**5.965**	**7.214**
Trade receivables		287	454
Other receivables		146	10
Income tax receivables		174	12
Receiveables		**608**	**477**
Cash and cash equivalents		1.450	1.493
Current assets		**2.058**	**1.970**
Total assets		**8.023**	**9.184**
EQUITY AND LIABILITIES			
Share capital		83	83
Reserve for capitalised development costs		6.212	5.627
Retained earnings		-3.094	-907
Equity	7	**3.201**	**4.803**
Deferred tax liabilities		1.113	1.388
Provisions		**1.113**	**1.388**
Non-current borrowings from group companies	8	2.437	2.389
Non-current liabilities		**2.437**	**3.776**
Trade payables		178	232
Trade payables from group companies		737	0
Other short term liabilities		357	373
Current liabilities		**1.273**	**605**
Total liabilities		**4.822**	**4.381**
Total equity and liabilities		**8.023**	**9.184**
Contingencies	9		
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Statement of changes in equity

	Share capital	Reserve for capitalised development projects	Retained earnings	Total
	DKK'000	DKK'000	DKK'000	DKK'000
Balance as at 1 January 2022	**83**	**5.627**	**-907**	**4.803**
Profit/loss for the year			-1.602	-1.602
Transfer to reserves	0	-974	974	0
Balance as at 31 December 2022	**83**	**4.653**	**-1.535**	**3.201**

Notes

1 Uncertainty relating to recognition and measurement

The company has in recent years used its ressources to develop new digital solutions. Costs directly related to these activities are capitalised as development projects. At the balance sheet date the book value of development projects is TDKK 5,965. Management assess that demand from the markets will provide a revenue in the coming years that exceeds the capitalised development costs. However, the company operates on a market where new digital solutions are constantly offered to the markets and response from the market can be difficult to predict for the future. In the event that future revenue is realised below expectations there is a risk that current value of the asset is overstated.

2 Personnel expenses

	2022	2021
	DKK'000	DKK'000
Salary and other remuneration	543	599
Social charges	5	6
	548	**605**
Personnel expenses classified as assets	0	-299
	548	**306**
Average number of employees	1	1

3 Financial income

Finance income	19	20
	19	**20**

4 Financial expenses

Other financial costs	15	15
Exchange rate loss	18	21
Interest to group companies	48	139
	81	**175**

5 Income tax expenses

Current tax for the year	-174	-12
Current deferred tax	-275	-69
	-449	**-82**

Notes

Notes (continued)

6 Intangible assets

	Development projects in progress	Completed development projects	Total
	DKK'000	DKK'000	DKK'000
Cost at 1 January	574	10.570	11.144
Additions	1.144	0	1.144
Transfer for the year	-1.718	1.718	
Cost at 31 December	**0**	**12.288**	**12.288**
Depriciations at 1 January	0	3.930	3.930
Depriciations for the year	0	2.393	2.393
Depriciations at 31 December	**0**	**6.323**	**6.323**
Net book value at 31 December 2022	**0**	**5.965**	**5.965**
Depreciation period			5 år

Completed development projects relates to software products and development projects in progress relates to the development of new versions and functionalities on existing products as well as new products.

7 Equity

The share capital is distributed as follows:

	Quantity	Total
A-parts	50.000	50.000
B-parts	33.333	33.333
		83.333

Changes in share capital

	2022	2021	2020	2019	2018
	DKK	DKK	DKK	DKK	DKK
Share capital, 1 January	83.333	83.333	83.333	83.333	1
Share issue	0	0	0	0	83.332
Share capital, 31 December	**83.333**	**83.333**	**83.333**	**83.333**	**83.333**

8 Non-current liability

Current liability is the company's short-term obligations that are due within one year. A liability that will not be paid within the upcoming year is classified as a non-current liability

	2022	2021
	DKK'000	DKK'000
Non-current borrowings from Group		
Later than 1 year and no later than 5 year	2.437	2.389
Non-current liability	**2.437**	**2.389**

Notes
Notes (continued)

9 Contingencies

BELLA Intelligence ApS is jointly and severally liable for tax on the jointly taxed incomes etc of controlled Danish entities in the Karnov Group. Administration of the jointly taxed entities is managed by Karnov Group Holdco DK ApS. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

10 Related parties

The company is incorporated in the consolidated financial statements for Karnov Group with ultimate parent company Karnov Group AB (corp.id. 559016-9016) located in Stockholm. The consolidated financial statement of Karnov Group can be downloaded from www.karnovgroup.com.

Notes

Notes (continued)

11 Accounting policies

Basis of preparation
The financial statements of BELLA Intelligence ApS have been prepared in accordance with the Danish Financial Statements Act for reporting class B, with additions for reporting class C.

The accounting policies applied remain unchanged from last year.
The Financial Statements for 2022 are presented in DKK.

Recognition and Measurement
The income is recognised in the income statement as earned. Further to this, value adjustments of financial assets and liabilitiesmeasured at fair value or amortised costs are recognised. Furthermore, all costs incurred to earn the profit or loss for the year havebeen recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow into the Company, and thevalue 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 thevalue of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as describedbelow for each financial statement item.

Foreign currency translation
On initial recognition, foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the transaction dates. If currency positions are considered hedge of future cash flows, the value adjustments are recognised directly in equity.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement within ‘finance income or costs’.

Income Statement

Revenue
Revenue consists of sale of subscriptions and is recognised in the income statement when all significant risks and rewards have been transferred to the buyer and when income can be reliably measured and is expected to be received.

Other external costs
Other external costs comprise indirect production costs and costs for premises, sales and distribution as well as office help etc.

Gross profit/loss
The Company has aggregated the items "revenue", "other operating income" as well as external expenses, in accordance with section 32 of the Danish Financial Statements Act.

Personnel expenses
Personnel expenses consist of wages and salaries, including non-monetary benefist and sick leaves.

Notes

Notes (continued)

Other operating expenses
Other operating expenses, include transactions of secondary importance compared to the campanys primary

Amortisation, depreciation
Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income
Financial income comprise interest income, other finance income and exchange rate gains on translation of foreign currency transactions.

Financial expenses
Financial expenses comprise interest expenses including interest from finance lease agreements and exchange rate losses on translation of foreign currency transactions. Furthermore amortization of financial liabilites are recognised in financial expenses.

Current tax
Tax on profit for the year consists of current tax and change in deferred tax for the year and is recognized in the income statement with the portion attributable to the profit for the year and directly on equity with the portion attributable to entries directly on equity.
The company is jointly taxed with Karnov Group Holdco DK ApS. The current tax is distributed among the jointly taxed companies in proportion to their taxable income.

Balance

Development projects (intangible assets)
The Company has ongoing development activities regarding software products.
Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

•it is technically feasible to complete the software product so that it will be available for use.
•Management intends to complete the software product and use or sell it.
•there is an ability to use or sell the software product.
•it can be demonstrated how the software product will generate probable future economic benefits.
•adequate technical, financial and other resources to complete the development and to use or sell the software.
•product is available; and the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include software development employee costs, costs for consultants and an appropriate portion of relevant overheads.
Other development expenditures that do not meet these criteria are recognised as an expense as incurred.
Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Notes

Notes (continued)

Impairment of fixed assets

The Company assesses its fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The impairment test is performed at the individual asset level or at the cash-generating unit level, as appropriate.

The Company determines the recoverable amount of the fixed assets by estimating the higher of the asset's fair value less costs to sell or its value in use. The fair value less costs to sell is determined based on market prices or valuation techniques, while the value in use is calculated by discounting the future cash flows expected to be generated from the asset.

If the carrying amount of a fixed asset exceeds its recoverable amount, an impairment loss is recognized in the income statement. The impairment loss is measured as the difference between the carrying amount and the recoverable amount and is allocated to reduce the carrying amount of the fixed asset. Impairment losses recognized in prior periods are assessed at each reporting date to determine if they need to be reversed or adjusted.

Management exercises judgment in determining the key assumptions used in estimating the recoverable amount, including cash flow projections, discount rates, and growth rates. Any changes in these assumptions could impact the recoverable amount and may result in impairment losses or reversals in future periods.

The Company regularly reviews the carrying amount of its fixed assets to assess whether any indication of impairment exists. This review is based on internal and external factors, such as technological advancements, changes in market conditions, and economic factors.

The recognition and measurement of impairment losses on fixed assets are in accordance with applicable accounting standards and the Company's accounting policies, which are consistently applied.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

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.

Deferred tax 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

Trade payables and other liabilities

Trade payables and other liabilities are recognised initially at fair value and subsequently amortised cost. The difference between cost and the nominal value is recognised in the statement of comprehensive income as an interest expense over the loan periode using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.