

**BELLA Intelligence ApS**  
Sankt Petri Passage 5, 1165 København K

**CVR 39 13 52 72**

**Annual report 2021**

The Annual General Meeting adopted the annual report on 29 June 2022

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Magnus Svernlöv  
Chairman of the General Meeting

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## **Management's Statement**

The Executive and Board of Directors have today considered and adopted the Annual Report of BELLA Intelligence ApS for the financial year 1 January – 31 December 2021

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our 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's operations for 2021.

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

Copenhagen, 29 June 2022

## **Executive Board**

Mads Westh Jensen

## **Board of Directors**

Jan Magnus Svernlöv  
(Chairman)

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 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 BELLA Intelligence 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 ("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, 29 June 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Josephine Kilsgaard Holm

State Authorised Public Accountant

mne44114

## Company details

### Company

BELLA Intelligence ApS  
Sankt Petri Passage 5  
1165 Copenhagen K

CVR number: 39 13 52 72

### Board of Directors

Jan Magnus Svernlöv  
Joel Jonathan Minzari

### Executive board

Mads Westh Jensen

### 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 2021 continued development of digital solutions mainly for the above mentioned activities.

The result for the period shows net loss for the period of TDKK 304 and per the balance sheet date 31 December 2021, equity totals to TDKK 4,803.

On 1 November 2021 Karnov Group acquired 60% of the shares in the company and from this day 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.

### **Uncertainty relating to recognition and measurement**

The company has in recent years used its resources 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 7,214. 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	2021 DKK'000	2020 DKK'000
<b>Gross profit</b>		<b>2 080</b>	<b>1 078</b>
Personnel expenses	2	-605	-614
Capitalised on development projects		299	419
Depreciations		-2 005	-1 509
<b>Operating profit (EBIT)</b>		<b>-230</b>	<b>-626</b>
Financial income	3	20	5
Financial expenses	4	-175	-155
<b>Loss before income tax</b>		<b>-386</b>	<b>-776</b>
Income tax expense	5	82	311
<b>Loss for the period</b>		<b>-304</b>	<b>-464</b>
<b>Proposed allocation of result:</b>			
		2021 DKK'000	2020 DKK'000
Result carried forward		-304	-464
		<b>-304</b>	<b>-464</b>



## Balance sheet 31. December

	Note	2021 DKK'000	2020 DKK'000
<b>ASSETS</b>			
Completed development projects		6 640	7 256
Development projects in progress		574	0
<b>Intangible assets</b>	6	<b>7 214</b>	<b>7 256</b>
Deposits		0	1
<b>Financial assets</b>		<b>7 214</b>	<b>7 257</b>
<b>Non-current assets</b>		<b>7 214</b>	<b>7 257</b>
Trade receivables		454	187
Other receivables		10	0
Corporation tax receivable from group enterprises		12	0
Income tax receivables		0	455
<b>Receivables</b>		<b>477</b>	<b>642</b>
<b>Cash and cash equivalents</b>		<b>1 493</b>	<b>1 474</b>
<b>Current assets</b>		<b>1 970</b>	<b>2 116</b>
<b>Total assets</b>		<b>9 184</b>	<b>9 373</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		83	83
Reserve for capitalised development costs		5 627	5 660
Retained earnings		-907	-636
<b>Equity</b>		<b>4 803</b>	<b>5 107</b>
Deferred tax liabilities		1 388	1 457
Non-current borrowings from group companies	7	2 389	2 250
<b>Non-current liabilities</b>		<b>3 776</b>	<b>3 707</b>
Trade payables		232	150
Other short term liabilities	6	373	409
<b>Current liabilities</b>		<b>605</b>	<b>559</b>
<b>Total liabilities</b>		<b>4 381</b>	<b>4 266</b>
<b>Total equity and liabilities</b>		<b>9 184</b>	<b>9 373</b>
Contingencies	7		
Accounting policies	8		

## Statement of changes in equity

	Share capital DKK'000	Reserve for capitalised development projects DKK'000	Retained earnings DKK'000	Total DKK'000
Balance as at 1 January 2021	83	5 660	-636	5 107
Profit/loss for the year			-304	-304
Reserve for capitalised development costs	0	1 531	-1 531	0
Depreciations	0	-1 564	1 564	0
<b>Balance as at 31 December 2021</b>	<b>83</b>	<b>5 627</b>	<b>-907</b>	<b>4 803</b>

## Notes

### 1 Uncertainty relating to recognition and measurement

The company has in recent years used its resources 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 7,214. 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

	2021 DKK'000	2020 DKK'000
Salary	599	599
Social charges	6	5
Other personnel costs	0	10
	<b>605</b>	<b>614</b>
Average number of employees	1	1
Salary capitalised	-299	-419

### 3 Financial income

Exchange rate gains	20	5
	<b>20</b>	<b>5</b>

### 4 Financial expenses

Other financial costs	15	156
Exchange rate loss	21	0
Intercompany interest expense	139	0
	<b>175</b>	<b>156</b>

### 5 Income tax expenses

Current tax for the year	-12	-455
Current deferred tax	-69	143
	<b>-82</b>	<b>-311</b>

### 6 Intangible assets

	Development projects in progress DKK'000	Completed development projects DKK'000	Total DKK'000
Cost at 1 January	0	9 181	9 181
Additions	1 963		1 963
Transfer for the year	-1 389	1 389	
Cost at 31 December	<b>574</b>	<b>10 570</b>	<b>11 144</b>
Depriciations at 1 January	0	1 925	1 925
Depriciations for the year	0	2 005	2 005
Depriciations at 31 December	<b>0</b>	<b>3 930</b>	<b>3 930</b>
<b>Net book value at 31</b>	<b>574</b>	<b>6 640</b>	<b>7 214</b>
Depreciation period			5 år

## Notes

### Notes (continued)

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. Development projects in progress are expected to be completed during 2022. The projects are proceeding as expected based on the consumption of resources that management has allocated for R&D. The sale of completed development projects has commenced.

#### 7 Equity

The share capital is distributed as follows:

	<u>Quantity</u>	<u>Total</u>
A-parts	50 000	50 000
B-parts	33 333	33 333
		<u><b>83 333</b></u>

Changes in share capital

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
	DKK	DKK	DKK	DKK	DKK
Share capital, 1 January	83 333	83 333	83 333	1	0
Share issue	<u>0</u>	<u>0</u>	<u>0</u>	<u>83 332</u>	<u>0</u>
<b>Share capital, 31 December</b>	<b>83 333</b>	<b>83 333</b>	<b>83 333</b>	<b>83 333</b>	<b>0</b>

#### 7 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

	<u>2021</u>	<u>2020</u>
	DKK'000	DKK'000
<b>Non-current borrowings from Group</b>		
Later than 1 year and no later than 5 year	<u>2 389</u>	<u>2 250</u>
<b>Non-current liability</b>	<b>2 389</b>	<b>2 250</b>

#### 8 Contingencies

BELLA Intelligence ApS is from 1 November 2021 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.

## Notes

### Notes (continued)

#### 9 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 remain unchanged compared to 2020.

The functional currency for BELLA Intelligence ApS is DKK (DKK'000).

##### Recognition and Measurement

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

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below 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'.

## Notes

### Notes (continued)

#### 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 benefit and sick leaves.

##### 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 liabilities 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 in progress (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.

Software development costs recognised as assets are amortised over their estimated useful lives in the range from 3 to 7 years.

## Notes

### Notes (continued)

#### 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 recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

#### 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.

#### 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 period using the effective interest method.