Innoflow ApS

Kanslergade 2, st. tv.
2100 København Ø
Denmark

CVR no. 39 23 47 85

Annual report 2021

The annual report was presented and approved at the Company's annual general meeting on

23 June 2022

Annette Otto
Chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Innoflow ApS for the financial year 1 January – 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

København. 23 June 2022
Executive Board:

Thomas Tornerup

Board of Directors:

Tina Herrmann	Poul Vagn Carstensen	Lars Kristian Runov

Annette Otto

Independent auditor's report

To the shareholders of Innoflow ApS

Opinion

We have audited the financial statements of Innoflow ApS for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position 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.

Management's responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

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

— identify and assess the risks of material misstatement of the company 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.

Independent auditor's report

— 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 of the Management's review.

København, 23 June 2022
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

Management's review

Company details

Innoflow ApS
Kanslergade 2, st. tv.
2100 København Ø
Denmark

CVR no.:	39 23 47 85
Established:	8 January 2018
Registered office:	København
Financial year:	1 January – 31 December

Board of Directors

Tina Herrmann
Poul Vagn Carstensen
Lars Kristian Runov
Annette Otto

Executive Board

Thomas Tornerup

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The Company's main activities are to develop and commercialize a case-solving process tool for Talent Pipeline and Talent Acquisition activities. While additionally, providing cases, individual and team-based, across the full employee life cycle.

Development in activities and financial position

The Company's income statement for 2021 shows a loss of DKK -2,833,794 as against DKK -1,036,676 in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 2,386,692 as against DKK 1,170,486 at 31 December 2020.

Events after the balance sheet date

The Company is currently raising capital of up to mDKK 5 (of which mDKK 2.2 is committed), partly from new and partly from existing investors, which is expected to be settled in June 2022. No other events, that could significantly affect the Company's financial position, have occured after the financial year-end.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2021	2020
Gross loss		-207,542	-168,916
Staff costs	2	-2,184,190	-945,438
Depreciation, amortisation and impairment losses		-249,027	-213,576
Loss before financial income and expenses		-2,640,759	-1,327,930
Other financial income		401	0
Other financial expenses		-229,674	-141,867
Loss before tax		-2,870,032	-1,469,797
Tax on loss for the year	3	36,238	433,121
Loss for the year		-2,833,794	-1,036,676

Proposed distribution of loss

Reserve for development costs	1,567,171	1,045,466
Retained earnings	-4,400,965	-2,082,142
	-2,833,794	-1,036,676

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Intangible assets	4		
Completed development projects		1,838,396	533,506
Development projects in progress		2,257,221	1,552,917
		4,095,617	2,086,423
Total fixed assets		4,095,617	2,086,423
Current assets			
Receivables			
Trade receivables		112,500	121,904
Other receivables		342,987	7,900
Corporation tax		20,864	439,115
		476,351	568,919
Cash at bank and in hand		3,278,410	3,326,403
Total current assets		3,754,761	3,895,322
TOTAL ASSETS		7,850,378	5,981,745

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		102,006	95,556
Reserve for development costs		3,194,581	1,627,410
Retained earnings		-909,895	-552,480
Total equity		2,386,692	1,170,486
Provisions			
Provisions for deferred tax		0	36,238
Other provisions		140,000	0
Total provisions		140,000	36,238
Liabilities other than provisions			
Non-current liabilities other than provisions			
Other credit institutions		4,825,385	4,604,069
Current liabilities other than provisions			
Trade payables		244,394	0
Other payables		253,907	170,952
		498,301	170,952
Total liabilities other than provisions		5,323,686	4,775,021
TOTAL EQUITY AND LIABILITIES		7,850,378	5,981,745
Contractual obligations, contingencies, etc.	5		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2021	95,556	1,627,410	-552,480	1,170,486
Cash capital increase	6,450	0	4,043,550	4,050,000
Transferred over the distribution of loss	0	1,567,171	-4,400,965	-2,833,794
Equity at 31 December 2021	102,006	3,194,581	-909,895	2,386,692

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Innoflow ApS for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Revenue from the sale of services is recognised on a straight-line basis in the income statement as the services are provided

Services based on time spent are recognised in revenue as the work is performed.

Other external costs

Other external costs comprise costs of distribution, sales and advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs. Refunds from public authorities are deducted from staff costs.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Development projects

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well development costs. Other development costs are recognised in the income statement as incurred.

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

Upon completion of development work, development costs are amortised on a straight-line basis over the estimated useful lives. The amortisation period is usually 5 years.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Equity

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Corporation tax and deferred tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Provisions

Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at value in use.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost.

Financial statements 1 January – 31 December

Notes

DKK	2021	2020
2 Staff costs		
Wages and salaries	2,632,050	1,126,725
Pensions	203,316	0
Other social security costs	35,506	50,006
Capitalized development costs	-686,682	-231,293
	2,184,190	945,438
Average number of full-time employees	8	5
3 Tax on loss for the year		
Current tax for the year	0	341,862
Deferred tax for the year	-36,238	-775,699
Adjustment of deferred tax concerning previous years	0	716
	-36,238	-433,121

4 Intangible assets

DKK	Completed development projects	Development projects in progress	Total
Cost at 1 January 2021	747,082	1,552,917	2,299,999
Additions for the year	0	2,258,221	2,258,221
Transfers for the year	1,553,917	-1,553,917	0
Cost at 31 December 2021	2,300,999	2,257,221	4,558,220
Amortisation and impairment losses at 1 January 2021	-213,576	0	-213,576
Amortisation for the year	-249,027	0	-249,027
Amortisation and impairment losses at 31 December 2021	-462,603	0	-462,603
Carrying amount at 31 December 2021	1,838,396	2,257,221	4,095,617

5 Contractual obligations, contingencies, etc.

Contingent liabilities

The Group's Danish entities are severally liable for tax on the Group's jointly taxed income and for certain withholding taxes as dividend tax. The Group as a whole is not liable to any other parties.

Operating lease obligations

The Company has entered into operating leases with a remaining term of 3 months and an average monthly lease payments of DKK 27 thousand, totalling DKK 81 thousand.