



Captego ApS

Søndergade 74, 5., 8000 Aarhus C

Company reg. no. 39 63 06 80

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 16 July 2024.

Bjarke Schou Bentzen
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Captego ApS for the financial year 1 January - 31 December 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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

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

Aarhus C, 16 July 2024

Managing Director

Bjarke Schou Bentzen
CEO

Board of directors

Bjarke Schou Bentzen

Michael Hove Jacobsen

Jeremy Anthony Simon Sparrow
Chairman

Anders Dalskov

Independent auditor's report

To the Shareholders of Captego ApS

Opinion

We have audited the financial statements of Captego ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, 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 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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 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.

Independent auditor's report

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.

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.

Independent auditor's report

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.

Aalborg, 16 July 2024

Redmark

Godkendt Revisionspartnerselskab
Company reg. no. 29 44 27 89

Alex Hoffmann Kristensen

State Authorised Public Accountant
mne33705

Company information

The company

Captego ApS
Søndergade 74, 5.
8000 Aarhus C

Company reg. no. 39 63 06 80
Financial year: 1 January - 31 December

Board of directors

Bjarke Schou Bentzen
Michael Hove Jacobsen
Jeremy Anthony Simon Sparrow, Chairman
Anders Dalskov

Managing Director

Bjarke Schou Bentzen, CEO

Auditors

Redmark
Godkendt Revisionspartnerselskab
Hasseris Bymidte 6
9000 Aalborg

Management's review

Description of key activities of the company

Since its incorporation, Captego's core activities have been and continue to be the development of software designed to help people document, analyze and report data.

Captego's customers operate within a wide range of industries, including insurance and the construction industry.

During the fiscal year 2023, Captego continued the development of its app, improving efficiency and accuracy and expanding into new markets with a focus on scalability.

Uncertainties about recognition or measurement

The company's development projects concern the development of its app Captego.

Based on the interest and the agreements entered into with business partners and customers, the management assesses that the technology has considerable commercial potential.

Funding Round 2023

In the second quarter of 2024, a successful funding round was completed with capital contributions coming from existing and new investors. The contributions were made to continue to advance Captego's technology, attacking new geographic markets, and capitalise on the existing and future sales pipeline.

Financial summary 2023

As we reflect on the year 2023, it is important to acknowledge that our financial performance fell short of the initial expectations set at the beginning of the year. Despite the dedication and efforts of our sales team, we did not achieve the budgeted sales targets.

In response to these challenges, we made a strategic shift in our sales focus towards securing larger enterprise clients. We are pleased to report that this strategy has begun to bear fruit, as evidenced by our successful acquisition of major clients. Additionally, our existing larger clients have expanded their plans with Captego, further validating our approach.

However, this shift did come with significant costs. The sales cycle for enterprise clients is notably longer, and the transition required substantial investments in both product development and marketing. These factors have impacted our financial performance in the short term.

Looking ahead to 2024, our primary objective is to stabilize the company and achieve a break-even cash flow. This will be accomplished through a combination of increased sales and cost reductions.

Management's review

Expected developments

The company has lost more than half of its equity and the management has taken a position on the company's re-establishment of the equity, in alignment with the danish companies act.

Our expectation for 2024 is to achieve positive cash flow, stabilize the company, and then pivot our focus towards growth. The first half of the year will be dedicated to stabilization efforts, with a heightened focus on sales activities planned for the period following the summer.

Treasury shares

During the year, the enterprise acquired 789,24 treasury shares at DKK 1 each. The purchase price amounts to DKK 7.109.

The holding of treasury shares is afterwards 2.553,24 shares at DKK 1 each, corresponding to 1,15 % of the contributed capital.

Income statement 1 January - 31 December

Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	365.601	-3.731
3 Staff costs	-6.959.667	-4.658
Amortisation and impairment of intangible assets	-811.399	-865
Operating profit	-7.405.465	-9.254
Income from equity investments in group enterprises	-2.382.437	-3.453
Other financial income	145.413	4
Other financial expenses	-833.524	-516
Pre-tax net profit or loss	-10.476.013	-13.219
Tax on net profit or loss for the year	0	0
Net profit or loss for the year	-10.476.013	-13.219
Proposed distribution of net profit:		
Allocated from retained earnings	-10.476.013	-13.219
Total allocations and transfers	-10.476.013	-13.219

Balance sheet at 31 December

Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

Assets		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Non-current assets		
4 Completed development projects, including patents and similar rights arising from development projects	2.833.563	3.192
Total intangible assets	<u>2.833.563</u>	<u>3.192</u>
Investments in group enterprises	0	0
Deposits	<u>98.694</u>	<u>87</u>
Total investments	<u>98.694</u>	<u>87</u>
Total non-current assets	<u>2.932.257</u>	<u>3.279</u>
Current assets		
Trade receivables	453.025	463
Other receivables	0	124
Prepayments	<u>60.533</u>	<u>105</u>
Total receivables	<u>513.558</u>	<u>692</u>
Cash on hand and demand deposits	<u>1.739.601</u>	<u>4.370</u>
Total current assets	<u>2.253.159</u>	<u>5.062</u>
Total assets	<u>5.185.416</u>	<u>8.341</u>

Balance sheet at 31 December

Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity and liabilities		
Equity		
5 Contributed capital	183.498	84
Reserve for development costs	1.856.996	2.490
6 Retained earnings	-9.281.392	-4.694
Total equity	-7.240.898	-2.120
Liabilities other than provisions		
7 Other payables	9.624.226	8.356
Total long term liabilities other than provisions	9.624.226	8.356
Bank loans	520	1
Trade payables	172.885	712
Other payables	1.025.944	783
Accruals and deferred income	1.602.739	609
Total short term liabilities other than provisions	2.802.088	2.105
Total liabilities other than provisions	12.426.314	10.461
Total equity and liabilities	5.185.416	8.341
1	Uncertainties concerning recognition and measurement	
2	Special items	
8	Charges and security	

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development costs	Retained earnings	Total
	<hr/>	<hr/>	<hr/>	<hr/>
Equity 1 January 2022	84.076	2.489.887	-4.694.790	-2.120.827
Cash capital increase	99.422	0	0	99.422
Retained earnings for the year	0	0	-10.476.013	-10.476.013
Transfer	0	-632.891	0	-632.891
Capital increase	0	0	5.263.629	5.263.629
Transferred to retained earnings	0	0	632.891	632.891
Treasury shares	0	0	-7.109	-7.109
	<hr/>	<hr/>	<hr/>	<hr/>
	183.498	1.856.996	-9.281.392	-7.240.898

Notes

Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

1. Uncertainties concerning recognition and measurement

The company's development projects concerns the development of the app Captego.

Based on the interest and the agreements entered into with business partners and customers, the management assesses that the technology has considerable commercial potential.

2. Special items

Special items include significant expenses of a special nature relative to the enterprise's ordinary operating activities. Special items also include other significant amounts of a nonrecurring nature.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	<u>2023</u>	<u>2022</u>
Expenses:		
Impairment of non-current assets	<u>2.382.437</u>	<u>3.453</u>
	<u>2.382.437</u>	<u>3.453</u>
Special items are recognised in the following items in the financial statements:		
Income from equity investments in group enterprises	<u>-2.382.437</u>	<u>-3.453</u>
Profit of special items, net	<u>-2.382.437</u>	<u>-3.453</u>

3. Staff costs

Salaries and wages	6.413.590	4.328
Pension costs	420.393	283
Other costs for social security	<u>125.684</u>	<u>47</u>
	<u>6.959.667</u>	<u>4.658</u>
Average number of employees	<u>10</u>	<u>8</u>

4. Completed development projects, including patents and similar rights arising from development projects

Completed development projects relate to the inspection app, Captego. Costs incurred in 2023 primarily include costs for sales work and maintenance cost.

Notes

Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
5. Contributed capital		
Contributed capital 1 January 2023	84.076	59
Cash capital increase	<u>99.422</u>	<u>25</u>
	<u>183.498</u>	<u>84</u>
<p>The holding of treasury shares is afterwards 2.553,24 shares at DKK 1 each, corresponding to 1,15 % of the contributed capital.</p>		
6. Retained earnings		
Retained earnings 1 January 2023	-4.694.790	-1.538
Retained earnings for the year	-10.476.013	-13.219
Capital increase	5.263.629	9.388
Transfer from reserve for development costs	632.891	675
Treasury shares	<u>-7.109</u>	<u>0</u>
	<u>-9.281.392</u>	<u>-4.694</u>
7. Other payables		
Total other payables	9.624.226	8.356
Share of amount due within 1 year	<u>0</u>	<u>0</u>
Total other payables	<u>9.624.226</u>	<u>8.356</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>
8. Charges and security		
<p>For the company's loan from The Danish Growth Fund, TDKK 3.280, the company has provided security in company assets representing a nominal value of TDKK 3.000. This security comprises the assets below, stating the carrying amounts.</p>		
		DKK in thousands
Trade receivables		<u>453</u>

Accounting policies

The annual report for Captego 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.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Income statement

Gross profit

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.

Accounting policies

Production costs

Production costs comprise costs which has been included to attain this years revenue. Included in cost price is raw materials and consumables, direct staff cost and indirect production costs, as maintenance and writedown etc. as well as operation, administration and management of factories.

Distribution costs

Distribution costs comprise cost in the form of salary to sales and distribution personnel, advertising and marketing costs as well as auto-operation and writedown etc.

Administration costs

Administration costs comprise cost to the management, administrative personnel, office costs etc.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise amortisation of intangible assets.

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, realised and unrealised capital gains and losses relating debt and transactions in foreign currency.

Results from investments in subsidiaries

Dividend from investments in subsidiaries is recognised in the financial year in which the dividend is declared.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

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.

Accounting policies

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

After completion of the development work, capitalised development costs are amortised on a straightline basis over the estimated useful economic life.

Development costs is deployed via the appropriation of net profit to "Reserve for development cost" under equity. The reserve is reduced by the deferred tax asset of the accounted development costs.

The basis of the writedown, which is calculated as cost less possible residual value, is amortised on a straightline basis over the estimated useful economic life.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Receivables

Receivables are measured at amortised cost or a lower net realisable value, which corresponds to the denominated value less writedown of expected losses. Writedown of expected losses is calculated on an individual level of the individual account.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

Accounting policies

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Liabilities other than provisions

Liabilities other than provisions relating to investment properties are measured at amortised cost which usually corresponds to nominal value.

Deferred income

Payments received concerning future income are recognised under deferred income.