



Piaster Revisorerne
vi giver bedre råd

Covizmo DK ApS

Njalsgade 76, 4., 2300 København S

Company reg. no. 39 77 41 35

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 28 June 2023.

Ruben Mikkelsen
Chairman of the meeting

Piaster Revisorerne, statsautoriseret revisionsaktieselskab
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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 Managing Director has approved the annual report of Covizmo DK ApS for the financial year 1 January - 31 December 2022.

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

I consider the chosen accounting policy to be appropriate, and in my 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.

Further, in my 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.

Copenhagen, 28 June 2023

Managing Director

Ruben Mikkelsen

Independent auditor's report on extended review

To the Shareholders of Covizmo DK ApS

Opinion

We have performed an extended review of the financial statements of Covizmo DK ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position 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.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Others matters

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

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report on extended review

Auditor's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a opinion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our opinion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our opinion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

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 opinion thereon.

In connection with our extended review 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 extended review, 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 in the Management's Review.

Alleroed, 28 June 2023

Piaster Revisorerne

Statsautoriseret Revisionsaktieselskab
Company reg. no. 25 16 00 37

Emil Lagstrøm

State Authorised Public Accountant
mne45851

Company information

The company

Covizmo DK ApS
Njalsgade 76, 4.
2300 København S

Company reg. no. 39 77 41 35
Established: 3 August 2018
Financial year: 1 January - 31 December

Managing Director

Ruben Mikkelsen

Auditors

Piaster Revisorerne, Statsautoriseret Revisionsaktieselskab
Engholm Parkvej 8
3450 Allerød

Management's review

The principal activities of the company

The company's activity is software development, engineering and inspection services.

Development in activities and financial matters

The company's financial performance in 2022 is considered unsatisfying.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u> (ej revideret)
Gross profit	477.541	5.634.914
1 Staff costs	-1.044.310	-2.319.996
Depreciation and impairment of property, land, and equipment	-8.563	-6.111
Operating profit	-575.332	3.308.807
2 Other financial expenses	-70.371	-37.803
Pre-tax net profit or loss	-645.703	3.271.004
Tax on net profit or loss for the year	60.457	-725.472
Net profit or loss for the year	-585.246	2.545.532
Proposed distribution of net profit:		
Extraordinary dividend distributed during the financial year	0	900.000
Dividend for the financial year	0	550.000
Transferred to retained earnings	0	1.095.532
Allocated from retained earnings	-585.246	0
Total allocations and transfers	-585.246	2.545.532

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2022</u>	<u>2021</u> (ej revideret)
Non-current assets		
Other fixtures, fittings, tools and equipment	0	8.563
Total property, plant, and equipment	0	8.563
Deposits	41.360	41.360
Total investments	41.360	41.360
Total non-current assets	41.360	49.923
Current assets		
Trade receivables	2.681.605	2.797.147
Contract work in progress	341.758	1.084.297
Receivables from group enterprises	3.395	0
Income tax receivables	66.000	0
Other receivables	27.873	1.000
Prepayments and accrued income	18.000	0
Total receivables	3.138.631	3.882.444
Cash on hand and demand deposits	1.329.574	1.729.510
Total current assets	4.468.205	5.611.954
Total assets	4.509.565	5.661.877

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2022</u>	<u>2021</u> (ej revideret)
Equity		
Contributed capital	50.000	50.000
Retained earnings	1.803.866	2.389.112
Proposed dividend for the financial year	0	550.000
Total equity	<u>1.853.866</u>	<u>2.989.112</u>
Liabilities other than provisions		
Trade payables	852.621	471.639
Payables to group enterprises	500.895	0
Income tax payable	0	645.472
Other payables	1.302.183	1.555.654
Total short term liabilities other than provisions	<u>2.655.699</u>	<u>2.672.765</u>
Total liabilities other than provisions	<u>2.655.699</u>	<u>2.672.765</u>
Total equity and liabilities	<u>4.509.565</u>	<u>5.661.877</u>

3 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2021	50.000	1.293.580	65.955	1.409.535
Distributed dividend	0	0	-65.955	-65.955
Retained earnings for the year	0	1.095.532	550.000	1.645.532
Extraordinary dividend adopted during the financial year	0	900.000	0	900.000
Distributed extraordinary dividend adopted during the financial year	0	-900.000	0	-900.000
Equity 1 January 2022	50.000	2.389.112	550.000	2.989.112
Distributed dividend	0	0	-550.000	-550.000
Retained earnings for the year	0	-585.246	0	-585.246
	50.000	1.803.866	0	1.853.866

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u> (ej revideret)
1. Staff costs		
Salaries and wages	1.024.861	2.300.095
Pension costs	7.985	9.088
Other costs for social security	<u>11.464</u>	<u>10.813</u>
	<u>1.044.310</u>	<u>2.319.996</u>
Average number of employees	<u>2</u>	<u>3</u>
2. Other financial expenses		
Financial costs, group enterprises	10.895	0
Other financial costs	<u>59.476</u>	<u>37.803</u>
	<u>70.371</u>	<u>37.803</u>

3. Contingencies

Joint taxation

With Covizmo Holding ApS, company reg. no 42868523 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Lease agreement

The company has entered into lease agreement with a residual maturity of 3 months with an average benefit of t.DKK 14, a total of t.DKK 42.000

Accounting policies

The annual report for Covizmo DK 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.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Accounting policies

Income statement

Gross profit

Gross profit comprises the revenue, cost of sales, and work in progress, other operating income, and external costs.

Revenue comprises sales of consultancy services and sales of software subscription. Consultancy services are recognised in the revenue concurrently with the production process. Software term licenses are recognised in the revenue proportionately over the license terms.

Direct cost of sales comprises costs concerning direct labour subcontractors and software subscriptions.

External costs include expenses related to research and development, costs incurred for sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Development costs are recognised directly in the income statement.

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 depreciation on and writedown for impairment of tangible 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, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

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

Other fixtures and fittings, tools and equipment

Other fixtures and fittings, tools and equipmentt are measured at cost less accrued depreciation and writedown for impairment.

Accounting policies

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment loss relating to non-current assets

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

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

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

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

Deposits

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

Accounting policies

Receivables

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

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments and accrued income

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

Cash on hand and demand deposits

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

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Accounting policies

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Covizmo DK ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

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

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Ruben Mikkelsen

Direktør

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Ruben Mikkelsen

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Emil Lagstrøm

PIASTER REVISORERNE, STATS-AUTORISERET REVISIONSAKTIESELSKAB

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Revisor

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