

Covizmo DK ApS

Njalsgade 76, 4., 2300 København S

Company reg. no. 39 77 41 35

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 28 June 2022.

Ruben Mikkelsen
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 Managing Director has approved the annual report of Covizmo DK ApS for the financial year 1 January - 31 December 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

The Managing Director consider the conditions for audit exemption of the 2021 financial statements to be met.

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 2022

Managing Director

Ruben Mikkelsen

Practitioner's compilation report

To the Management of Covizmo DK ApS

We have compiled the financial statements of Covizmo DK ApS for the financial year 1 January - 31 December 2021 based on the company's bookkeeping and on information you have provided.

These financial statements comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements under the Danish Act on Approved Auditors and Audit Firms and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Alleroed, 28 June 2022

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 2021 is considered satisfying.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	5.634.914	1.843.601
1 Staff costs	-2.319.996	-1.474.171
Depreciation and impairment of property, land, and equipment	-6.111	-10.481
Operating profit	3.308.807	358.949
Other financial income	0	15.955
Other financial expenses	-37.803	-55.712
Pre-tax net profit or loss	3.271.004	319.192
Tax on net profit or loss for the year	-725.472	-76.714
Net profit or loss for the year	2.545.532	242.478
Proposed appropriation of net profit:		
Extraordinary dividend adopted during the financial year	900.000	0
Dividend for the financial year	550.000	65.955
Transferred to retained earnings	1.095.532	176.523
Total allocations and transfers	2.545.532	242.478

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Non-current assets		
Other fixtures and fittings, tools and equipment	8.563	14.674
Total property, plant, and equipment	8.563	14.674
Deposits	41.360	15.750
Total investments	41.360	15.750
Total non-current assets	49.923	30.424
Current assets		
Trade receivables	2.797.147	1.876.481
Contract work in progress	1.084.297	0
Other receivables	1.000	0
2 Receivables from owners and management	0	65.955
Total receivables	3.882.444	1.942.436
Cash on hand and demand deposits	1.729.510	844.703
Total current assets	5.611.954	2.787.139
Total assets	5.661.877	2.817.563

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity		
Contributed capital	50.000	50.000
Retained earnings	2.389.112	1.293.580
Proposed dividend for the financial year	550.000	65.955
Total equity	<u>2.989.112</u>	<u>1.409.535</u>
 Long term liabilities other than provisions		
Trade payables	471.639	104.947
Income tax payable	645.472	76.714
Other payables	1.555.654	1.226.367
Total short term liabilities other than provisions	<u>2.672.765</u>	<u>1.408.028</u>
 Total liabilities other than provisions	<u>2.672.765</u>	<u>1.408.028</u>
 Total equity and liabilities	<u>5.661.877</u>	<u>2.817.563</u>

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2020	50.000	1.117.057	0	1.167.057
Retained earnings for the year	0	176.523	65.955	242.478
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
	50.000	2.389.112	550.000	2.989.112

Notes

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
1. Staff costs		
Salaries and wages	2.300.095	1.457.995
Pension costs	9.088	9.088
Other costs for social security	<u>10.813</u>	<u>7.088</u>
	<u>2.319.996</u>	<u>1.474.171</u>
Average number of employees	<u>3</u>	<u>3</u>

2. Receivables from owners and management

Contributed capital DKK 50.000 was never received when company was founded. Contributed capital including mandatory interest, total DKK 65.955 was received during the year.

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.

Income statement

Gross profit

Gross profit comprises revenue, direct cost of sales and external costs.

Accounting policies

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. Staff costs are less government reimbursements.

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.

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.

Accounting policies

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.

Leases

Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

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.

Accounting policies

Deposits

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

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 can not 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.

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.

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.

Accounting policies

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.

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

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