

**Nordic IT Denmark ApS**

**Lottenborgvej 26, 1.**

**2800 Kongens Lyngby**

**CVR no. 40 66 45 48**

**Annual report for 2021**

**(2nd Financial year)**

Adopted at the annual general  
meeting on 29. June 2022

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Christopher Holland Burney  
chairman

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## **Statement by management on the annual report**

The executive board has today discussed and approved the annual report of Nordic IT Denmark 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 company's 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 our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Kgs. Lyngby, 29 June 2022

### **Executive board**

John Michael Girdley

Paul Crandle Salisbury

Christopher Holland Burney

Justin Alexander Brady

## **Independent auditor's report**

*To the shareholder of Nordic IT Denmark ApS*

### **Opinion**

We have audited the financial statements of Nordic IT Denmark ApS for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 company's 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material uncertainty related to going concern**

Without modifying our opinion, we refer to the information in the note 1 in the financial statements, where the management has explained the preconditions for presenting the annual accounts with continued operations in mind.

We have not found a basis for making a different assessment than the management, but highlight the uncertainty associated with the company's continued operations.

### **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 the financial statements that are free from material misstatement, whether due to fraud or error.

## **Independent auditor's report**

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 judgement and maintain professional scepticism 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.

## Independent auditor's report

- 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.

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 Statements Act. We did not identify any material misstatement of management's review.

## **Independent auditor's report**

Copenhagen, 29 June 2022

RSM Danmark  
Statsautoriseret Revisionspartnerselskab  
CVR no. 25 49 21 45

Peter Arent Benkjer  
statsautoriseret revisor  
MNE no. mne35785

## **Company details**

### **The company**

Nordic IT Denmark ApS  
Lottenborgvej 26, 1.  
2800 Kongens Lyngby

CVR no.: 40 66 45 48

Reporting period: 1 January - 31 December 2021

Incorporated: 15 July 2019

Domicile: Lyngby-Taarbæk

### **Executive board**

John Michael Girdley  
Paul Crandle Salisbury  
Christopher Holland Burney  
Justin Alexander Brady

### **Auditors**

RSM Danmark  
Statsautoriseret Revisionspartnerselskab  
Ved Vesterport 6, 5. sal  
1612 København V

## **Management's review**

### **Business review**

The objectives of the company are developing system software and software applications, and to operate with agency, commercial- and manufacturing businesses.

### **Recognition and measurement uncertainties**

The recognition and measurement of items in the annual report is not associated with any uncertainty.

### **Unusual matters**

The company's financial position at 31 December 2021 and the results of its operations for the financial year ended 31 December 2021 are not affected by any unusual matters.

### **Financial review**

The company's income statement for the year ended 31 December 2021 shows a loss of DKK 2.915.683, and the balance sheet at 31 December 2021 shows negative equity of DKK 5.875.646.

The management is working on adjusting the costs to the current level of activity and it is the management's expectation that operations will be profitable going forward. The company has almost exclusively intercompany debt as of 31 December 2021. The company's continued operations are dependent on financial support from the parent company, which has submitted a statement of support for the next 12 months after approval of the annual report. The intercompany debt does not fall due for payment in 2022. On that basis, the management assesses that the company fulfills the condition of going concern.

### **Significant events occurring after the end of the financial year**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

## **Accounting policies**

The annual report of Nordic IT Denmark ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

### **Basis of recognition and measurement**

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

## **Income statement**

### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

## **Accounting policies**

### **Revenue**

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

### **Costs of sales**

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

### **Other external expenses**

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### **Staff costs**

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

## Accounting policies

### Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

### Balance sheet

#### Intangible assets

##### *Goodwill*

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

##### *Development projects, patents and licences*

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

#### Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

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

## **Accounting policies**

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

### **Receivables**

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

### **Prepayments**

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and deposits at banks.

### **Income tax and deferred tax**

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

### **Liabilities**

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.

## **Accounting policies**

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

## Income statement 1 January 2021 - 31 December 2021

	Note	2021 DKK	2020 DKK
<b>Gross profit</b>		<b>7.150.871</b>	<b>6.913.372</b>
Staff costs	2	-4.320.611	-8.070.863
<b>Resultat før af- og nedskrivninger</b>		<b>2.830.260</b>	<b>-1.157.491</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-3.701.708	-3.298.569
<b>Profit/loss before net financials</b>		<b>-871.448</b>	<b>-4.456.060</b>
Financial income		0	1.522.565
Financial costs	3	-1.900.221	-290.489
<b>Profit/loss before tax</b>		<b>-2.771.669</b>	<b>-3.223.984</b>
Tax on profit/loss for the year	4	-144.014	224.021
<b>Profit/loss for the year</b>		<b>-2.915.683</b>	<b>-2.999.963</b>
Retained earnings		-2.915.683	-2.999.963
		<b>-2.915.683</b>	<b>-2.999.963</b>

## Balance sheet at 31 December 2021

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
<b>Assets</b>			
Completed development projects		5.614.616	7.788.016
Acquired patents		1.976.262	2.439.678
Goodwill		9.632.052	10.889.445
<b>Intangible assets</b>	5	<u><b>17.222.930</b></u>	<u><b>21.117.139</b></u>
Other fixtures and fittings, tools and equipment		88.889	222.222
<b>Tangible assets</b>	6	<u><b>88.889</b></u>	<u><b>222.222</b></u>
Deposits		182.183	179.491
<b>Fixed asset investments</b>		<u><b>182.183</b></u>	<u><b>179.491</b></u>
<b>Total non-current assets</b>		<u><b>17.494.002</b></u>	<u><b>21.518.852</b></u>
Trade receivables		1.385.644	1.165.934
Receivables from subsidiaries		1.334.787	0
Deferred tax asset		80.007	224.021
Prepayments		158.994	136.584
<b>Receivables</b>		<u><b>2.959.432</b></u>	<u><b>1.526.539</b></u>
<b>Cash at bank and in hand</b>		<u><b>3.377.370</b></u>	<u><b>2.673.932</b></u>
<b>Total current assets</b>		<u><b>6.336.802</b></u>	<u><b>4.200.471</b></u>
<b>Total assets</b>		<u><u><b>23.830.804</b></u></u>	<u><u><b>25.719.323</b></u></u>

## Balance sheet at 31 December 2021

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
<b>Equity and liabilities</b>			
Share capital		40.000	40.000
Retained earnings		<u>-5.915.646</u>	<u>-2.999.963</u>
<b>Equity</b>		<b><u>-5.875.646</u></b>	<b><u>-2.959.963</u></b>
Payables to subsidiaries		<u>21.329.259</u>	<u>19.285.928</u>
<b>Total non-current liabilities</b>		<b><u>21.329.259</u></b>	<b><u>19.285.928</u></b>
Banks		33.083	304
Prepayments received from customers		1.782.013	2.176.115
Trade payables		2.073.653	798.695
Other payables		<u>4.488.442</u>	<u>6.418.244</u>
<b>Total current liabilities</b>		<b><u>8.377.191</u></b>	<b><u>9.393.358</u></b>
<b>Total liabilities</b>		<b><u>29.706.450</u></b>	<b><u>28.679.286</u></b>
<b>Total equity and liabilities</b>		<b><u>23.830.804</u></b>	<b><u>25.719.323</u></b>
Contingent liabilities	7		

**Statement of changes in equity**

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2021	40.000	-2.999.963	-2.959.963
Net profit/loss for the year	0	-2.915.683	-2.915.683
<b>Equity at 31 December 2021</b>	<b><u>40.000</u></b>	<b><u>-5.915.646</u></b>	<b><u>-5.875.646</u></b>

## Noter til årsrapporten

### 1 Uncertainty about the continued operation (going concern)

The management is working on adjusting the costs to the current level of activity and it is the management's expectation that operations will be profitable going forward.

The company has almost exclusively intercompany debt as of 31 December 2021. The company's continued operations are dependent on financial support from the parent company, which has submitted a statement of support for the next 12 months after approval of the annual report. The intercompany debt does not fall due for payment in 2022. On that basis, the management assesses that the company fulfills the condition of going concern.

	<u>2021</u> DKK	<u>2020</u> DKK
<b>2 Staff costs</b>		
Wages and salaries	3.907.353	7.266.539
Pensions	349.279	697.618
Other social security costs	<u>63.979</u>	<u>106.706</u>
	<b><u>4.320.611</u></b>	<b><u>8.070.863</u></b>
Average number of employees	<u>6</u>	<u>8</u>
<b>3 Financial costs</b>		
Financial expenses, group entities	528.460	575.828
Other financial costs	26.579	303.778
Exchange loss	<u>1.345.182</u>	<u>-589.117</u>
	<b><u>1.900.221</u></b>	<b><u>290.489</u></b>

Noter til årsrapporten

	<u>2021</u>	<u>2020</u>
	DKK	DKK
<b>4 Tax on profit/loss for the year</b>		
Deferred tax for the year	144.014	-224.021
	<b><u>144.014</u></b>	<b><u>-224.021</u></b>

**5 Intangible assets**

	<u>Completed development projects</u>	<u>Acquired patents</u>	<u>Goodwill</u>
Cost at 1 January 2021	10.866.999	3.096.184	12.701.607
Cost at 31 December 2021	10.866.999	3.096.184	12.701.607
Impairment losses and amortisation at 1 January 2021	3.078.983	656.506	1.812.162
Amortisation for the year	2.173.400	463.416	1.257.393
Impairment losses and amortisation at 31 December 2021	5.252.383	1.119.922	3.069.555
<b>Carrying amount at 31 December 2021</b>	<b><u>5.614.616</u></b>	<b><u>1.976.262</u></b>	<b><u>9.632.052</u></b>

## Noter til årsrapporten

### 6 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 January 2021	400.000
Cost at 31 December 2021	400.000
Impairment losses and depreciation at 1 January 2021	177.778
Depreciation for the year	133.333
Impairment losses and depreciation at 31 December 2021	311.111
<b>Carrying amount at 31 December 2021</b>	<b>88.889</b>

### 7 Contingent liabilities

The company has a rent contract with a total obligation of TDKK 298. The rent contract cannot be terminated until 31.07.2022 whereafter it can be terminated with a 6 months notice.

### 8 Related parties

#### Controlling interest

Nordic IT, LLC, 425 Soledad St. Suite 250, San Antonio, TX 78205, USA Majority shareholder

#### Consolidated financial statements

The company is included in the consolidated financial statements of Dura Software, INC., USA, Texas.