

Nordic IT Denmark ApS

Lottenborgvej 26, 2800 Kgs. Lyngby

Company reg. no. 40 66 45 48

Annual report

15 July 2019 - 31 December 2020

The annual report was submitted and approved by the general meeting on the 16 July 2021.

Christopher Holland Burney
Chairman of the meeting

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 %.

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Management's report

Today, the executive board has presented the annual report of Nordic IT Denmark ApS for the financial year 15 July 2019 - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 15 July 2019 – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Kgs. Lyngby, 16 July 2021

Executive board

Justin Alexander Brady

Christopher Holland Burney

Paul Crandle Salisbury

John Michael Girdley

Independent auditor's report

To the shareholders of Nordic IT Denmark ApS

Opinion

We have audited the financial statements of Nordic IT Denmark ApS for the financial year 15 July 2019 - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 15 July 2019 - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

Without modifying our opinion, we refer to the matter described in note 1 "Information on uncertainty with respect to recognition and measurement of goodwill".

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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

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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

Independent auditor's report

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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen V, 16 July 2021

RSM Denmark

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 49 21 45

Peter Arent Benkjer

State Authorised Public Accountant
mne35785

Company information

The company

Nordic IT Denmark ApS
Lottenborgvej 26
2800 Kgs. Lyngby

Company reg. no. 40 66 45 48

Financial year: 15 July - 31 December
1st financial year

Executive board

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

Auditors

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

Parent company

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

Management commentary

The principal activities of the company

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

Uncertainties about recognition or measurement

This is the company's first financial year. Along with challenges in the start-up phase the company's activities have been affected by corona. This has led to a negative result and a loss of the company's equity. This gives uncertainty about the recognition and measurement of goodwill as of 31 December 2020 and 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 2020. 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 2021. On that basis, the management assesses that the company fulfills the condition of going concern.

Development in activities and financial matters

The gross profit for the year totals DKK 6.913.371. Loss from ordinary activities after tax totals DKK -2.999.963. Management considers the net loss for the year less satisfactory.

Events occurring after the end of the financial year

Nordic IT Denmark ApS is, like many others companies, currently facing the challenge of the spreading COVID-19 (the Corona-virus). We see the spread of the virus in many of the worlds countries and the implementation of measures around the world has been implemented to reduce the impact on the society and business.

Since the balance for this annual report Nordic IT Denmark ApS has seen certain impacts, including a continued general slowdown in the shipping industry. This means that the revenue base in 2021 will be reduced by the negative impact on financial preparedness. It's currently impossible to estimate the final impact for Nordic IT Denmark.

The company is aware of a possible effect in their activity from the COVID-19 Virus and they are ready to make necessary adjustments, provided it being a necessity

Accounting policies

The annual report for Nordic IT Denmark 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 annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

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.

Accounting policies

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.

Cost of sales comprises costs concerning hosting fees etc.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises and loss on receivables.

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.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

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.

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.

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.

Accounting policies

Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

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:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

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.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments and accrued income

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

Accounting policies

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

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.

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

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Income statement

All amounts in DKK.

<u>Note</u>	15/7 2019 - 31/12 2020
Gross profit	6.913.371
2 Staff costs	-8.070.863
3 Depreciation, amortisation, and impairment	-3.298.568
Operating profit	-4.456.060
Other financial income	1.522.565
Other financial costs	-290.489
Pre-tax net profit or loss	-3.223.984
Tax on net profit or loss for the year	224.021
Profit or loss from ordinary activities after tax	-2.999.963
Net profit or loss for the year	-2.999.963
Proposed appropriation of net profit:	
Allocated from retained earnings	-2.999.963
Total allocations and transfers	-2.999.963

Statement of financial position

All amounts in DKK.

<u>Note</u>	<u>31/12 2020</u>
Assets	
Non-current assets	
4 Completed development projects, including patents and similar rights arising from development projects	7.788.016
5 Concessions, patents, licenses, trademarks, and similar rights acquired	2.439.678
6 Goodwill	10.889.445
Total intangible assets	<u>21.117.139</u>
7 Other fixtures and fittings, tools and equipment	222.222
Total property, plant, and equipment	<u>222.222</u>
8 Deposits	179.491
Total investments	<u>179.491</u>
Total non-current assets	<u>21.518.852</u>
Current assets	
Trade receivables	1.165.934
Deferred tax assets	224.021
Prepayments and accrued income	136.584
Total receivables	<u>1.526.539</u>
Cash on hand and demand deposits	<u>2.673.932</u>
Total current assets	<u>4.200.471</u>
Total assets	<u>25.719.323</u>

Statement of financial position

All amounts in DKK.

<u>Note</u>	<u>31/12 2020</u>
Equity and liabilities	
Equity	
Contributed capital	40.000
Retained earnings	<u>-2.999.963</u>
Total equity	<u>-2.959.963</u>
Liabilities other than provisions	
Payables to group enterprises	<u>19.285.928</u>
Total long term liabilities other than provisions	<u>19.285.928</u>
Bank loans	304
Prepayments received from customers	2.176.116
Trade payables	798.695
Other payables	<u>6.418.243</u>
Total short term liabilities other than provisions	<u>9.393.358</u>
Total liabilities other than provisions	<u>28.679.286</u>
Total equity and liabilities	<u>25.719.323</u>

- 1** Uncertainties concerning recognition and measurement
- 9** Contingencies
- 10** Related parties

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 15 July 2019	40.000	0	40.000
Retained earnings for the year	0	-2.999.963	-2.999.963
	40.000	-2.999.963	-2.959.963

Notes

All amounts in DKK.

15/7 2019
- 31/12 2020

1. Uncertainties concerning recognition and measurement

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2. Staff costs

Salaries and wages	7.266.539
Pension costs	697.619
Other costs for social security	106.705
	8.070.863
Average number of employees	8

3. Depreciation, amortisation, and impairment

Amortisation of development projects	3.078.983
Amortisation of concessions, patents, and licences	656.506
Amortisation of goodwill	-614.699
Depreciation of other fixtures and fittings, tools and equipment	177.778
	3.298.568

Notes

All amounts in DKK.

4. Completed development projects, including patents and similar rights arising from development projects	
Additions during the year	10.866.999
Cost 31 December 2020	10.866.999
Amortisation and depreciation for the year	-3.078.983
Amortisation and writedown 31 December 2020	-3.078.983
Carrying amount, 31 December 2020	7.788.016
5. Concessions, patents, licenses, trademarks, and similar rights acquired	
Additions during the year	3.096.184
Cost 31 December 2020	3.096.184
Amortisation and depreciation for the year	-656.506
Amortisation and writedown 31 December 2020	-656.506
Carrying amount, 31 December 2020	2.439.678
6. Goodwill	
Additions during the year	12.701.606
Cost 31 December 2020	12.701.606
Amortisation and depreciation for the year	-1.812.161
Amortisation and writedown 31 December 2020	-1.812.161
Carrying amount, 31 December 2020	10.889.445

Notes

All amounts in DKK.

	31/12 2020
7. Other fixtures and fittings, tools and equipment	
Additions during the year	400.000
Cost 31 December 2020	400.000
Amortisation and depreciation for the year	-177.778
Depreciation and writedown 31 December 2020	-177.778
Carrying amount, 31 December 2020	222.222
8. Deposits	
Additions during the year	179.491
Cost 31 December 2020	179.491
Carrying amount, 31 December 2020	179.491
9. Contingencies	
Contingent liabilities	
The company has a rent contract with a total obligation of TDKK 568. The rent contract cannot be terminated until 01.07.2022 whereafter it can be terminated with a 6 months' notice.	
The company has operational leases with a total obligation of TDKK 5. The operational leases have a remaining term of 3 months.	
10. 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.	